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Editorial AS WE SEE IT

Recent pyrotechnics in the London gold market are hardly as startling as daily headlines would suggest. They may or may not have been fed by rumors of what a new Administration at Washington might do, but we have a quite adequate supply of the yellow metal and, even at recent rates of loss, are as yet in no imminent danger of anything in the nature of a shortage. As a further reminder of our balance of payments difficulties and of the relative ease with which an economic system, controlled so largely by government as is ours today, may yield to all sorts of wild rumors and reckless speculations abroad, the incident should stimulate more serious thought and more realistic appraisal than it as yet has had. The fact is that we have a real balance of payments problem which will not be ignored or wished away.

The problem is a symptom of an underlying condition, and that underlying situation is really quite serious and pressing. There are three main areas which should be given prayerful thought by us all without delay. The current Presidential campaigns do not suggest that the voting this autumn will in any direct or automatic way correct the infirmities which beset us. The first and very basic fact is that we are not nearly as competitive either at home or abroad as we should be and could be. In some degree—in greater degree than ought to be permitted to continue—our inability to export more freely is a result of various restrictions placed upon the entry of goods into markets abroad—a situation which, of course, has its unfortunate counterpart in our own tariff and other import restrictions.

Costs Out of Line

The fact, is though, that we have permitted our costs to rise so much that we find it difficult to compete in the so-called neutral markets or sometimes even at home. A number of careful studies in recent years have shown quite clearly that the main differential against us is labor costs. In many instances, all (Continued on page 26)

What Do We Know About the Candidates' Monetary Policies?

By Herbert M. Bratter, *Washington, D. C.*

A timely examination of the Presidential candidates', and their parties', differing monetary views is provided by Mr. Bratter. Long a close student and writer on this phase of political economics, Mr. Bratter examines not only monetary, but also other policies bound to affect the dollar's future after Nov. 8. His recapitulation of the past points up how strange it is not to have gold mentioned in either party's 1960 platform and why a party platform cannot be relied upon as a prophetic blueprint of future actions.

The purpose of this article is documentary: to record what the Republican and Democratic platforms state on monetary policy and closely related subjects and how the two Presidential candidates have been expounding that policy in their public remarks.

Herbert M. Bratter

Throughout most of the past eight years an influential bloc of Democrats have made amply clear a considerable hiatus between their views of monetary - economic policies and those of the Eisenhower Administration. Warm and long has been the debate over the dollar and the supply of dollars, sound money and inflation, growth and recession, spending and budget balance, tight money and artificially-low interest rates. Eight years of debate, of Congressional hearings and reports, of bills and maneuverings have brought us to the eve of the 1960 election.

The ballot box may decide what kind of a monetary policy this country will follow in the next four years. After Election Day those interested in the subject—the banker, the businessman, the politician, the man in the street, the Federal Reserve official, the foreigner with dollar balances—all these and many others will be interested to look back and see just what the successful candidate has been saying.

Money Issue in the Past

Money has been a political question in this country since colonial times. It was an issue in the 17th century, when Massachusetts during the "French War" paid its troops with bills of credit. It was one of the causes of the Revolution. "Continental currency" kept it alive. The fight over the United States Bank gave it new form in Jackson's day. The mistrust of banks and the Wall Street money power has a long lineage. Since 1856 rare has been the political platform which has not addressed itself to money or credit in one way or another. Indeed, in 1874 a separate political party came into being on the money question: the Greenback Party.

For the recent, full length economic views expressed by the Presidential candidates themselves see pages 14 and 15 in this issue of the "Chronicle."—Ed.

Basically, the money question despite its many different forms—paper, gold, silver, bank credit, interest rates—has always been the same. It has been the question of inflating the supply of currency and credit vs. resistance to inflation. Those who have been dissatisfied with their incomes have reasoned that they would be better off if there were more money around. Silver miners produced, and still produce, ingenious arguments for their cause. Gold miners, understandably, see the solution to current economic questions in a higher price of gold. The Populists of the last century have their counterparts today in those who insist that economic growth depends on an expanding money supply. If the latter are right today, were the Populists wrong (Continued on page 24)

PICTURES IN THIS ISSUE: Candid photos taken at the post-NSTA Convention dinner, hosted by the Seattle Security Traders Association, appear in this issue.

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

This Week's Forum Participants and Their Selections

Gem International, Inc. — George B. Fisher, Research Dept., Bosworth, Sullivan & Co., Inc., Denver, Colo. (Page 2)

Central Louisiana Electric Company — P. Fred Fox, President, P. F. Fox & Company, Inc., New York City (Page 2)

GEORGE B. FISHER

Research Department, Bosworth, Sullivan & Co., Inc., Denver, Colorado
Members New York Stock Exchange

GEM International, Inc.

The one really bright spot in today's business picture is the fact that consumer income is running at the highest level in the history of the country. This, of course, means that the buying public has the wherewithal to purchase goods and services and one of the prime beneficiaries of this high level income is found in the retail department store business.

George B. Fisher

A new name, GEM International Inc., in this field was introduced to the investing public in June of 1960 through the offering of 150,000 shares of Common Stock at 7½. The company has had a spectacular record in its short 3½ year history. Starting with its first store in Denver in June of 1956, the company has seen sales volume grow from $2,542,000 in that one-half year period to $32,941,000 in 1959.

Its concept of merchandising and service is somewhat unique. At the present time the company operates six high volume, low cost "closed door" membership department stores located in Denver; Honolulu, with a branch in Hilo; Kansas City, Mo.; St. Louis; Minneapolis and Wichita. Shopping privileges are restricted to membership, with members drawn from Government employees, the military including active reserves and employees of firms whose business is primarily Government work. A $2.00 fee is charged for life-time membership which is honored in every GEM store operated by the company. At the present time total membership in all cities approximates 390,000.

The company follows a policy of concessionaire-operated departments, each concessionaire being a specialist in his particular field. GEM enforces a policy which requires the departments in each store to sell high quality merchandise with a low mark up. The company leases space to these concessionaires on a rental fee which is based upon a percentage of gross sales of each department. GEM, in turn, provides all the facilities necessary, including advertising and a monthly publication to its members. Each store is more than a department store carrying the usual items such as appliances, houseware, hardware, furniture, sporting goods, women's, men's and children's ready-to-wear, shoes, jewelry, etc., but also has a complete drug department, offers insurance, and sells automobiles and automobile accessories. In addition, grocery supermarkets are operated at six stores. GEM International or its subsidaries also operate gasoline service stations at all stores but the one in Minneapolis. Consumer finance companies are operated either by subsidiary companies or by concessionaires.

GEM International does not own any of the land or buildings, but leases from others. Furthermore, it is not required to carry any inventory other than in a few departments which they operate themselves and, of course, the service stations. This, of course, means that a new store may be opened with a minimum of capital.

The success of this type of operation is indicated by the following growth in sales: 1957, $10,380,000; 1958, $20,960,000; 1959, $32,941,000. Profits of GEM International in these years rose from $235,000 in 1957 to $433,000 in 1959. In the first seven months of this year, sales totaled $20.1 million and profits rose to $205,908 which compares with sales of $13.9 million and profits of $132,640 in the same period a year ago. For the full year, it is expected that sales will reach the $45,000,000 level and that net income will be around $650,000 or 57c per share, a gain of 50% over the 37½c earned in 1959.

Capitalization is simple with long-term debt of $203,104 and 1,150,000 shares of common stock.

As to the future, the company opened its Wichita store on Sept. 9, 1960 which proved to be one of the most successful openings in its history. A second store will be opened just after Thanksgiving in St. Louis. Present plans call for the opening of additional stores in Boston and Philadelphia in the early part of 1961 and consideration is being given to the possibility of stores in other cities throughout the country. Because of GEM's policy of leasing and concessionaire-departments, no additional financing is contemplated.

At a price of around 8, the stock is selling at only 14 times estimated 1960 earnings, yet earnings have been increasing at an average annual rate of better than 40%.

In view of the company's expansion program and the fact that this type of merchandising appears to have just scratched the surface, I believe the stock, traded in the Over-the-Counter Market, offers an exceptional opportunity for capital gains.

P. FRED FOX

President, P. F. Fox & Company, Inc. New York City

Central Louisiana Electric Company

We were privileged, on Sept. 28 to Oct. 1, to be among the 27 representatives of investment firms and/or institutions, invited by the management to make an inspection trip of the entire Central Louisiana Electric Co. properties. We were very much impressed with what we saw in the way of superlative management and excellent and growing territory served, indicating that CLECO has a bright and growing future before it and that the reported and consistently increased earnings would continue into the future commensurate with higher annual dividend disbursements.

P. Fred Fox

There were three very important matters revealed to the writer that the naked eye could not see and which the various and most complete factual company releases have not made mention of, namely:

(1) CLECO's territory represents the most prolific oil and gas bearing territory in the entire United States, containing the largest untapped natural gas condensate and distillate reserves presently available in this country.

(2) Upon the completion of the Lake Pontchartrain Bridge, running due north from New Orleans into the communities of Madisonville, Mandeville, Covington, etc., this will represent a new and rapidly growing residential territory surrounded by beautiful foliage and pine trees, growing by leaps and bounds, and including, as well, the territory around Slidell.

(3) The gas operating revenues which have moved up steadily from $700,000 to $4,500,000 between 1950 and 1959, will some day equal the gross and net revenues generated by the electric division of this company.

These three revealing and optimistic points indicated to us that CLECO has before it a real bright future, an assurance of a continuity of earnings increases, followed by dividend increases, somewhat indicative of what the estimated 1960 earnings will be of around $2.62 to $2.65, against $2.22 reported for 1959, and where we expect the dividend payments to increase to $2.00 a share annually, (or $1.00 per share on the new stock distributable on Oct. 12, 1960), as against $1.60 or 80 cents on the new stock paid in 1959.

We will go further and predict that the company's previous 10-year growth between 1950 and 1959, where total operating revenues moved up steadily to $19,719,886 for 1959 against $6,701,820 reported for 1950, will, in our opinion, be surpassed, with the company showing an ever better degree of increases; furthermore, that the dividends applicable to the common stock, which, on the old stock moved up to $1.80 per share in 1959 from 90 cents a share paid in 1951, will, also, show the same degree of consistent, proportionate increases. With that, it is natural to assume that, based on the management's policy pertaining to dividends, that such dividend payments will follow along with these increases and consistently move on up to higher yearly disbursements.

We were very pleased, indeed, to have been included in this inspection trip, as it afforded us the opportunity to observe a management dedicated to fine relationships in their various communities and with the Louisiana State Commission, and which has steadily increased its personal holdings of CLECO common stock, indicating their own faith in the future of this company. The tour also gave us an opportunity of not only seeing more than we had anticipated in the way of growth, basic and inherent wealth in the territory served, and the increased residential development so important to a utility company, but we were equally impressed by the fact that, as previously indicated, the gas end of CLECO's business, which presently amounts to $4,500,000, could become just as important earnings-wise as the company's reported electrical revenues. Furthermore, there is available in the company's territory a

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(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

Full Speed Ahead In the Selling Sixties

By Wister H. Ligon,* *Retiring President, American Gas Association and President, Nashville Gas Co.*

Exciting potential for the gas industry in the "Selling Sixties" is summarized by Mr. Ligon in his report to the gas industry on past accomplishments and future prospects. He warns keener competition will prevail in the energy branch of the public utility industry and suggests a program of action in meeting this competition which includes greater emphasis on research and product development, and on sales and advertising. In conclusion, the retiring trade spokesman stresses the importance of a better understanding of mutual problems among producers, pipeliners and distributors; criticizes a "National Fuels Policy"; and praises the cooperation between his industry and the manufacturers of gas appliances.

As I have moved around the country during my tenure as President of our association, I've become more and more amazed by the dramatic evidence of gas industry growth and strength. In every branch of our industry — and at every level of management — I've discovered new and exciting signs of a brand of energy and determination never before seen in the gas business. There's a new wave of optimism, born not of idle wishes or the heady success of the Fifties but of solid, widespread conviction that the industry's intriguing potentials can and will be realized.

Wister H. Ligon

Even after some 30 years in the gas business, I still marvel at the resurgence of this remarkable industry. By dint of faith, foresight and vigorous effort, the gas industry has pulled itself out of the post-war doldrums to become America's fifth largest industry in terms of plant investment, and the second largest supplier of energy.

Monumental Gains

Look for a moment at these important gains, achieved by all who represent all echelons of gas industry management:

In the past 10 years alone, we have built nearly a quarter of a million miles of new pipelines and mains. Today, we operate a gas network 615,000 miles long.

In one decade, we have converted over 300 of the nation's gas distribution systems to natural gas customers to our lines each

We have built a safer gas industry, too. By steadily reducing the frequency of employee accidents for 12 consecutive years, we have helped the gas industry establish the longest unbroken record of safety improvement in U. S. industrial history — this means for all industries.

And we have added some 900,000 gas sumtomers to our lines each year for the past decade. Today, we serve over 33 million customers. Their all-time high consumption of gas brings us revenues of more than $5 billion a year.

These solid achievements, unmatched in the history of the gas business, are part and parcel of this phenomenal resugence which has astounded everyone, from Main Street to Wall Street.

But what led to our miraculous transformation?

It seems to me that action is the answer — action that brings results!

We've stepped up the pace in advertising . . . promotion . . . research . . . product development . . . and in all areas essential to growth. We've not only fought back but gone on the offensive, improving our position in a number of important fields.

And we have developed coordinated, cooperative group action. We're growing bigger and stronger and more important to the nation's economic fabric by working together.

In laboring side by side, we have ceased to be merely a thousand-odd scattered and totally independent companies and have become, instead, an industry. Through scores of programs vigorously conducted by our wide-awake national, regional and state associations, we have brought new dignity and stature to the gas industry. And we've built greater public confidence in our companies, our products and our services.

Now, I assume that many are more interested in the future than in the past. A virile, aggressive industry looks ahead; self-preservation demands it. Let's put the record-book aside, then, and talk about gas industry prospects in the Sixties.

Prospects in the Sixties

The analysts in A. G. A.'s Bureau of Statistics paint a bright picture of what's ahead—or what can lie ahead in terms of oportunities and potentials. After studying indicators somewhat more reliable than tea-leaves and crystal balls, they foresee dynamic growth for the industry during the next 10 years.

They anticipate at least a 34% increase in customers, to 43 million by 1970.

Annual sales will nearly double, from 88 billion therms to almost 160 billion.

And they tell us the industry's gross plant investment will more

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OBSERVATIONS . . .

BY A. WILFRED MAY

IMAGERY versus DEBATE

"Did Mr. Nixon miss the political boat here [in the third broadcast 'debate' on Oct. 13] in failing to tie the low interest rate philosophy to gold loss?" This query concluded our last week's contribution in this space, following the Vice-President's failure to include cheap money, endorsed by his opponent, along with unbalanced budgets, insufficient exports, disproportionately heavy foreign aid largesse as causes of gold and foreign balances' outflow.

Just a few hours after this publication's press-closing time, the Vice-President fully and vigorously filled this void, in his Oct. 20 speech before the Association of Business Economists at New York University as follows:

"Those in the opposition who loudly demand very easy credit and artificially low interest rates, at all times and under all circumstances, are practically inviting foreign banks and investors to pull out the billions of dollars that they now hold here on deposit or in short-term paper. If such a sequence of events should ever develop as a result of cheap money dogmatists come to high public office, a totally stupid and unnecessary gold crisis would be brought on which could have disastrous consequences, not only for America, but for the entire Free World. . . ." Further elaboration on this point was made in this week's (Oct. 24)) speech in Pittsburgh.

Mr. Nixon's omission of the vital cheap money-versus-gold fact under TV questioning, and the manner of its subsequent amendment, highlights the basic inadequacy inherent in the Show's format (particularly since the text of his address before the Business Economists had been lying in his speech inventory for some time). The limitation imposed by the "ground rules" on the first respondee's direct answer to the panel's question to 2½ minutes and the opponent's "comment" to 1½ minutes, simply does not permit sufficient coverage, either by way of direct statement or rebuttal.

We are not implying that longer air-time would give Mr. Average Voter the means of understanding the big issues brought up, as the Off-shore Islands, aid to Latin America, etc. along with the interest rate and gold. Nor would this goal even be achieved by a format, as is being suggested by panelist Chet Huntley, to include rebuttal, re-rebuttal, and "sur-rebuttal." Most of Messrs. Public would still be frustrated, if not bored, by a lengthy debate. But lengthening the interval spent on a single issue, and limiting the issues to perhaps a total of two, would clarify some issues, and at least end the listener's helplessness in being left dangling midst rapid shifts from uncompleted topic to topic.

With such a format, the Broadcast Debate could even afford some affirmative advantages over the "unilateral" speech. For example, Mr. Nixon's proposal in his Business Economists' speech for a "National Economic Council" called for on-the-spot questioning for detailed information—as to its correlation with the President's existing Council of Economic Advisers in its role "to advise the President on economic matters." A Nixon spokesman advises us that Washington experts believe that an agency with broader scope is called for.

* * *

BACK TO ANOTHER CAMPAIGN'S GOLD CONTROVERSY

Remarkably analogous to the discussion in the New Deal's 1932 Campaign days, is the gold and devaluation controversy today. Hence the great schism between F. D. R.'s pre-Election statements and post-Election performance, and the subsequent misinterpretation by both expert and layman, are singularly important and timely.

Expounding his monetary intentions, pre-Electionally by four days, in a speech at Brooklyn's Academy of Music on Nov. 4, 1932, Candidate Roosevelt made this decisive statement: "One of the most commonly repeated misrepresentations by Republican speakers, including the President [Hoover], has been the charge that the Democratic position with regard to money has not been made clear." He then went on to supply re-clarification thus: "The businessmen of the country, battling hard to maintain their solvency were told in blunt language in Des Moines, Iowa, how close an escape the country had some months ago from going off the gold standard. This, as has been clearly shown since, was a libel on the credit of the United States. No adequate answer has been made to the magnificent philippic of Senator Glass the other night, in which he showed how unsound was this assertion. And I might add, Senator Glass made a devastating assertion that no responsible government would have sold to the country securities payable in gold if it knew that the promise, yes the covenant, was as dubious as the President of the United States claims it was."

Just three days after taking office, that is, on March 6, 1933, *President* Roosevelt ordered the suspension of redemption, taking us off the gold standard. And seven months later he initiated a routine of buying gold with the price fixed daily, together with Henry Morgenthau and Jesse Jones over the breakfast eggs and coffee in his bedroom, by the "lucky number" method.

Contribution From the Experts' Sector

Among the experts still rationalizing and otherwise misinterpreting the subsequent dollar-juggling invoked by Roosevelt as President, to fit his pre-Election pronouncement is Professor Arthur M. Schlesinger, who happens to be currently functioning as one of Senator Kennedy's chief *brain-trusters*. In his popular tome, *The Coming of the New Deal*, page 195, he reports on "The Dollar Dilemma" of that time thus: "Actually Roosevelt knew quite enough about the gold standard to want to avoid rigid commitment to it. . . . During the 1932 campaign, though he had talked warmly about sound money, he had taken care *not to identify this unimpeachable phrase with gold*." [Emphasis added].

We seem to be forced to the conclusion that *neither* formal speech nor TV "debate," with or without make-up, suffice to enlighten the public about monetary matters.

AN UNTHINKABLE STEP

A further devaluation of the dollar now should be unthinkable—with our international current account of goods and services showing a surplus of $4 billion, our exports at the favorable 1957 level, and our gold stock still at $18 billion. Surely the needed remedial steps of cutting our $3 billion of annual military expenditures ranging round the world from Germany to Japan, reducing our foreign economic aid, and maintaining budgetary solvency at home, cannot be permanently neglected.

Two With A. C. Allyn

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Walter J. Schuett and Kenenth E. Sobota have become associated with A. C. Allyn & Co., 122 South La Salle Street.

With Alm, Kane

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Jules W. Noble has been added to the staff of Alm, Kane, Rogers & Co., 39 South La Salle Street.

M. Robson Opens

Mark Robson is engaging in a securities business from offices at 242 West 49th Street, New York City, under the firm name of M. Robson Company.

Rockwell Securities

ROCKVILLE CENTRE, N. Y. — Rockville Securities Co. Inc. has been formed with offices at 452 Westminster Road to engage in a securities business.

Now Lecluse & Co.

WASHINGTON, D. C.—The firm name of Investment Services, 4121 W Street N. W. has been changed to Lecluse and Company.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The October Issue of the Federal Reserve Bulletin summarizes business and financial conditions as follows:

Industrial production declined further in September, while construction activity increased. Total employment and personal income changed little and sales at retail stores declined. Bank credit, both loans and investments, increased substantially.

Industrial Production

The Board's preliminary index of industrial production in September was 107% of the 1957 average—about 1% below August, which was revised downward to a figure of 108. This compared with a level of 109-110 from February through July. The decline in September reflected reductions in output of material and business equipment, owing partly to the effects of rail strikes. Output of consumer goods changed little.

Production of primary metals declined further in September to 79% of the 1957 average, reflecting continued liquidation of inventories; output of construction materials and of textiles and other nondurable materials was also curtailed. In early October, steel mill operations did not show the usual seasonal increase.

Production of new-model autos rose in September, and October schedules indicate a further rise. Output of television sets and home radios also increased in September, but production of some other home goods and of apparel was curtailed further. Output of commercial equipment was maintained but production of industrial and farm equipment showed additional decreases.

Construction

The value of new construction put in place increased in September, following a dip in August, and the seasonally adjusted annual rate of $55.4 billion nearly equaled the high for this year reached in July. Further advances in construction expenditures for private business purposes and for highways more than offset a further decline in residential building outlays.

Employment

Seasonally adjusted nonfarm employment changed little in September as decreases in manufacturing and some other industries were about balanced by gains in state and local government and service industries. The average factory workweek, seasonally adjusted, was reduced from 39.7 hours in August to 39.3 hours in September. Unemployment declined 400,000 to 3.4 million, and was at a seasonally adjusted rate of 5.7% of the civilian labor force compared with 5.9% in August.

Distribution

Seasonally adjusted retail sales declined slightly in September, reflecting decreases at department stores and most other types of outlets. New auto sales were maintained at a seasonally adjusted annual rate of around six million units. Dealers' stocks of new autos remained at advanced levels for this time of year. Freight carloadings of manufactured products were reduced by a work stoppage at a major railroad from Sept. 1 to 12, but then they increased considerably through early October.

Commodity Prices

The wholesale commodity price index remained relatively stable in September and early October. Among industrial commodities, such basic materials as scrap metals, rubber, and textiles continued to decline. The 1961 autos were introduced with price lists little changed from 1960 and 1959. Prices of farm products rose somewhat, owing mainly to increases in livestock and products.

Bank Credit and Reserves

Total commercial bank credit increased over $2 billion in September, much more than usual for this month. Loans rose substantially further and holdings of U. S. Government securities increased contraseasonally. U. S. Government deposits at commercial banks increased sharply, and the private money supply, seasonally adjusted, declined slightly. Time deposits rose further.

Member bank borrowings from the Federal Reserve averaged about $165 million and excess reserves $585 million over the four weeks ending Oct. 12. Both borrowings and excess reserves were somewhat lower than in the previous four weeks. During the latter four-week period, required reserves increased substantially. Reserves were supplied principally by Federal Reserve purchases of $620 million of U. S. Government securities and absorbed mainly through a $360 million gold outflow.

Bank Clearings Up 6.1% Above The Same 1959 Week

Bank clearings this week will show an increase compared with

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Uninflated Gas Shares

By Dr. Ira U. Cobleigh, Enterprise Economist

Containing a few market meter readings on the natural gas industry and on the shares of certain transmission and distribution companies.

While the steels, paper, copper, coal and oil industries have evinced no dazzling upsurge in earning power in 1960 and their stocks have been soggy, the gas industry has been moving comfortably forward. And the market tone in gas equities has been a more confident one. Whether you view the pipeline or the distribution end of the business, net earnings of representative companies will, in most cases, post a modest gain for 1960 and there will be a scattering of dividend increases.

The gas industry today has great stature and stability. At the end of 1959, customers served by the gas utility industry totalled 32½ million. We expect a 3% rise in 1960. Natural gas now serves practically every section of the United States and provides about one-third of our total heating requirements, against less than 15% at the end of World War II. Natural gas is our fifth largest industry and neither in the recession of 1958 nor the slow-down in 1960 has it lost its visible characteristics as a growth industry.

Sustained Growth

This sustained growth is across the board. For 1959 total revenues were up 12% over 1958. This year they'll be up at least 10% over 1959. A gain of more than 110% in total sales for the 1960 decade has been estimated by the American Gas Association. Construction is keeping pace too. Record expenditures in plant addition, by the pipelines and distributors together, totalling $1.8 billion were made last year. The figure will be $100 million higher this year.

Then what about supply? Producing and consuming 12½ trillion cubic feet a year, as we did in 1959, must leave some awfully hollow gas wells! As an offset, we increased our reserves by 8½ trillion c. f. last year, and at the year end we still had on hand a 21 year supply or roughly 263 trillion c. f.

Problems of Regulation

The big bug in the national gas business has been price and rate regulation. Natural gas, like almost everything else, has cost more to produce with each passing year, but prompt recognition of this fact either in the price charged at the well head, or the price ultimately charged by pipelines to their customers has been a real headache. The Federal Power Commission has jurisdiction over regulation of gas transmission companies in interstate commerce and its decisions have been most baffling. Gas sold within a state was one thing; interstate, something else again, and if a pipeline not only produced gas as well as transported it, there arose a notion that the whole thing, the production as well as the piping, was a utility operation subject to regulation.

At the end of September, the Federal Power Commission issued a policy statement on rate fixing procedures for natural gas, outlining price standards for 23 defined geographical areas, which should guide both producers and the Commission. New, or adjusted contracts up to these standard area prices presumably would be promptly approved. But if higher prices than area standards were sought then everybody would get into the act—the producers obviously) the Commission and interested consumers. A price rate hearing would then lead to determination of the area standard price (and possibly redefining of the areas themselves). While the rate-of-return on property costs presumably would not be a controlling factor in these area prices, some data on costs would surely be required and be introduced at any hearing on rate increases. And the whole procedure will surely be subject to some review in the Courts.

Which leaves a pretty kettle of fish! There's now a backlog, at the Commission, of producer and pipeline rate increase applications going back for several years and involving some $400 million. The pipelines don't know for sure what their gas costs will be and they are holding in bond, and subject to refund, many millions in increased rates already charged to, and collected, from customers.

Once an equitable and standard long range rate regulation procedure has been evolved and court-tested, then pipelines (which are affected much more than the integrated or distribution companies) may be more positively and enthusiastically appraised by the market. Either a rewarding schedule of area rates, or a 6¾% over-all return on property investment would do the trick.

Pipeline Shares

About specific pipeline shares for current consideration we would favor Texas Eastern Transmission at 30 and paying $1.40. This stock should earn around $2.20 a share for 1960 up from $2.02 last year. It's selling at only 14 times earnings.

The best yield among pipelines is in Southern Natural Gas common which returns 5.55% at 36 on a $2 dividend. Among companies which are large gas producers as well as interstate pipeline operators, Panhandle Eastern common at 46 paying $1.80 is attractive. With a favorable price approved for its captive gas, Panhandle could expand its earnings swiftly. El Paso Natural Gas has just split 5 for 4 and has been accustomed to paying out about 60% net earnings in cash dividends.

Integrated and Distribution Companies

Among the distributing companies Brooklyn Union Gas appears to have considerable investment merit, at 28½ paying $1.20. Earnings should reach a new high of $1.75 for 1960 and the Staten Island territory served is in line for rapid growth on completion of the new Narrows Bridge. The issue is favored for its defensive qualities since over 70% of its gross is from residential business.

Consolidated Natural Gas common is favorably regarded by several utility analysts. It is a holding company with a broad service area in New York, Pennsylvania, Ohio and West Virginia. Cities served include among others Cleveland, Akron, Youngstown (at retail); and Washington, Baltimore and Cincinnati at wholesale. CNG will not show much of an advance in earnings this year but in 1961 an 8% to 10% gain in net is possible.

Less well known than the above is Pioneer Natural Gas, an integrated company, which operates very near an immense source of supply in the Texas Panhandle. There are four larger cities, Amarillo, Lubbock, Odessa, and Midland in its 81 community service area which embraces as many square miles as the State of Indiana. Earnings per share rose from $1.11 in 1958 to $1.40 for 1959. The common was split 2-for-1 this year, pays 80 cents and sells at around 25½. In addition to utility operation, Pioneer is a sizable producer of natural gas and oil.

Oklahoma Natural Gas which serves the largest cities in that state has been a consistently fine performer. Gross has risen steadily from $41.5 million in 1955 (fiscal year end 8/31) to an estimated $62.5 million this year. Per share net for 1960 will be at an all-time high of about $2.15 and the dividend rate has just been increased to $1.40. At 30, Oklahoma Natural Gas seems to be a reliable and expanding equity with a good yield.

Another well regarded and mature gas stock is American Natural Gas Co. Shares have been strong around 69 on the basis of indicated 1960 net of around $5 a share, and a very comfortably earned $2.60 dividend. Company will benefit from additional supplies of Canadian Gas and expanded gas storage facilities for handling peak winter requirements. Per share net has increased over 60% in the past five years.

In this industry the pipelines have wider market swings and greater potential for gain. The distributing companies are desirable on the basis of steadily expanding earnings, dividend durability and impressive depression resistant qualities.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

A fifth debate has been pressed upon Vice-President Nixon by Senator Kennedy and Nixon has agreed to it provided the debate will be confined to the question of Cuba.

It is difficult to see how a fifth debate will accomplish anything. While they are advertised as debates they are not debates at all. They are press conferences. Neither side has the opportunity to press the other into a hole. He states his proposition and the other man comments on it. Then they go on to another subject. They have turned out to be a rehash of what the candidates have been saying on the stump. After each debate the supporters of Kennedy say he had the better of it and the supporters of Nixon say just the opposite. It is apparent that no votes are changed.

In my humble opinion Nixon had the better of the last debate but there are learned editorial writers and columnists who disagree and insist Kennedy had the better of it.

The debates have worked to the advantage of Kennedy, whether he won or not. He stood there with Nixon and showed he was quite as mature as Nixon. Nixon's whole campaign has been that he had the experience. Kennedy has shown that he has had quite as much experience as Nixon.

It was a drastic plan of his, as stated in the last debate, to aid and build and supply forces who were trying to overthrow Castro.

As Nixon pointed out, this would be in direct violation of our treaty with the OAS countries not to interfere in the internal affairs of another state and, undoubtedly, Kennedy's plan would bring a clash with Soviet Russia.

Kennedy is now quite critical of the Administration's dealing with Castro, yet he has said on at least two occasions that he approved of the Administration policy.

Both Nixon and Lodge seem to be more friendly to the Catholics than Kennedy. For a long time the Catholics have been trying to get Federal aid for the buses carrying children to school and for parochial school textbooks. It has been a lively issue in Congress. Mrs. Roosevelt and Cardinal Spellman had quite an argument about it once. Kennedy says he is against any Federal aid to parochial schools. Lodge says he is in favor of aiding them in the matter of buses and textbooks. Nixon says he is in favor of letting the individual states do what they want to do.

This and Lodge's insistence that a Negro will be appointed to the Cabinet if Nixon wins is the basis for Kennedy's statement that, if Nixon won't debate him, he should at least debate Lodge.

The Republican candidates are admittedly crossed up. Lodge's position on schools is understandable. He is from a Catholic state. Nobody is likely to accuse Kennedy of being anti-Catholic.

While Kennedy seems well in the lead at this time, some foreign development may throw a monkey wrench into the whole campaign between now and election day. Castro may very well do something like such as an attack on Guantanamo, necessitating our intervention.

In time of war there is always a tendency on the part of the voters not to change parties. Roosevelt was elected for a third term because war was approaching, and the fourth time because we were at war.

It is not likely that Eisenhower's planned political speech in New York just before the election will do Nixon any good. Mr. Eisenhower himself could undoubtedly be elected for a third term. Kennedy refrains from attacking him, yet it is his policies that he is attacking Nixon for. Such is the Eisenhower popularity. But no man has ever lived who could transfer his popularity to another man. Rockefeller can't do it in New York State, although he could probably he reelected himself.

By the way, the wags are circulating the story that if Kennedy is elected the banks will be closed within three days and the troops will be in the streets. This is true even if Nixon is elected. Three days after the election is Armistice Day, a national holiday.

With Tucker, Anthony

Tucker, Anthony & R. L. Day, 120 Broadway, New York City, members of the New York Stock Exchange, have announced that James E. Allen has joined the firm as a registered representative. Mr. Allen, who was formerly with Tripp & Co., Inc. will serve in the Tucker, Anthony municipal bond department.

The Security I Like Best

Continued from page 2

70-year supply of lignite coal which, some day, will be utilized by the company economically and advantageously.

CLECO stock, in my opinion, represents an excellent dividend-paying, well-regarded, well-administered growth utility stock which we unhesitatingly recommend to the conservative investor. The stock is traded in the Over-the-Counter market and is currently quoted at 25¾.

Rizzo & Co.

ALBANY, N. Y.—Alfred C. Rizzo is engaging in a securities business from offices at 564 Madison Avenue under the firm name of Rizzo & Co.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

During the past week the state and municipal bond market has shown some quiet improvement. Most of the new issues that have come to market, although not of important proportions, have been well received by investors. During this period the *Commercial and Financial Chronicle's* high grade bond yield index has shown an improvement of about one-quarter of a point; the index now stands at 3.323% as against 3.34% a week ago.

Pennsylvania Sell-Out Helps Other Issues

At press time last week the $21,300,000 Commonwealth of Pennsylvania School Building Authority issue was being reoffered to the public. Although belatedly, it nevertheless seems worth reporting that the entire issue was sold out within a brief period. The investor enthusiasm for this issue stimulated sales out of other recent new issue accounts, with unsold balances. In this respect the $15,000,000 City of Chicago, Illinois Board of Education issue was benefited, as was the $10,000,000 Los Angeles, County Flood Control District issue. The balances of both of these flotations were subsequently reduced substantially.

Other issues which benefited in this wave of investor participation included the $4,250,000 San Jose, California issue which was awarded Oct. 19. The bonds were all sold; the $3,000,000 Glendale, California School District issue awarded on Oct. 18 which was also sold out. Also, the $3,100,000 Norwalk, Connecticut bonds awarded on the following day have been reported as all sold in the interim. The $2,577,000 Orangetown, New York School District No. 8 (Pearl River bonds) were also all sold on the strength of the better market tone that was generated last midweek.

Thruway's Move on Price Cut

On Thursday, Oct. 20, the managers of the New York State Thruway account determined that an official price cut was in order for the $15,915,000 balance due 1985-1989. The reoffering was made with the yields cut from 15 to 20 basis points. The bonds were quickly oversubscribed and since then the market has regained from 5 to 10 basis points, depending on maturity.

It is of particular significance that during this short period street inventory has been sharply reduced. The municipal bond total as expressed by the *Blue List* was reduced from $389,617,500 Oct. 19 to $347,868,600 as reported on Oct. 26.

Recent Activity Very Limited

There have been no large or even interesting new issues scheduled for sale this week. Usually at this time of year the calendar is replete with voluminous new issues up for competitive bidding, and usually there are a scattering of important negotiated type financings in various phases of dealer consideration. This year, such is not the situation and it could be that the forthcoming Presidential election has deterred the large potential of offerings for reasons of possible market betterment.

As we have previously mentioned, several large issues have been deferred until after Election Day and, as a consequence, the schedule is literally puny until the middle of November.

The Latest Financing

On Tuesday, Oct. 25, the City of Boston, Massachusetts awarded $4,200,000 various purpose general obligation (1961-1980) bonds to the group headed by the Chemical Bank New York Trust Co., Lehman Brothers, The Philadelphia National Bank, Eastman Dillon, Union Securities & Co. The bonds were priced to yield from 1.80% to 3.80%. The first six maturities were reported as sold immediately and the balance is down to $1,800,000.

Boston's rating has suffered during the last few years and, as a result, investors have been able to buy the city's obligations at relatively high yields. Boston's debt record is a good one and seems likely to remain so. Its bonds seem relatively underpriced.

Also on Tuesday, Oct. 25, the City of Vineland, New Jersey offered $4,200,000 general obligation, electric utility bonds at public sale. The issue will finance an addition to the municipality's electric generating plant. Vineland's utility system has been and is expected to remain self-supporting. The city's debt is relatively very light and its credit rating is excellent.

A group headed by Drexel & Co., B. J. Van Ingen & Co., Inc., Blair & Co., W. H. Newbold's Son & Co. purchased the (1961-1980) issue and reoffered the bonds at yields scaled from 1.75% to 3.35%. The investor interest in the issue was substantial and the bonds are more than half sold.

Yesterday (Oct. 26) the City of New Orleans, Louisiana came to market with $9,600,000 various (1962-1985) limited and unlimited tax bonds. This city, one of the most popular credits in the South, always draws numerous bids and extremely competitive bidding. The larger of the two loans, involving $7,600,000 unlimited tax bonds, was awarded to the Chase Manhattan Bank and associates at a 3.47% interest cost. Reoffering was from 2.00% to 3.60% and initial orders would seem substantial. The smaller issue of $2,000,000 limited tax bonds was awarded to a Halsey Stuart & Co. group. This issue was scaled to yield from 2.00% to 3.70% and, at this writing, there is no report as to sales.

Bond Markets Under Pressure

Although the municipal bond market is steady and firm it is certainly not in any booming upward trend. Our adverse balance of international payments, the resultant serious outflow of gold and the Presidential election, all combine to confuse the institutional and individual investor. Although the lagging economy and its counterpart, the easy stock market, by simple calculation should set off a strong bond market, larger considerations are temporarily, at least, concerning the investor.

This concern must inevitably gravitate towards the deleterious effects that continued lack of fiscal responsibility will wreak upon our entire economy. The municipal bond market just isn't exempt from this ultimate reality although seemingly well buttressed.

The dollar quoted revenue bond issues have been steady and firm during the week. The *Smith, Barney & Co.* turnpike bond yield Index reflects a one-quarter point average rise between Oct. 13 and Oct. 20. These issues are generally unchanged as of today.

Larger Financing in Prospect

The only large addition to the state and municipal bond calendar is a $34,750,000 Commonwealth of Massachusetts offering for competitive bidding on Nov. 15. This is part of the larger offering scheduled for early October on which the bid was rejected.

A large negotiated offering is expected to reach the market in early December. The Oklahoma City, Oklahoma Municipal Improvement Authority is reported to be negotiating a $45 million to $65 million water revenue serial bond issue with a syndicate headed by John Nuveen & Co., Allen & Co., B. J. Van Ingen & Co., Inc., and Leo Oppenheim and Co.

The new issue calendar, although of moderate proportions, is beginning to fill out with post-election additions. Well over $300,000,000 is scheduled through early December with the bulk of it scheduled after Election Day. In the meantime, little market change is foreseeable.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.75%	3.60%
Connecticut (State)	3¾%	1980-1982	3.35%	3.25%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.35%	3.20%
New York (State)	3%	1978-1979	3.15%	3.05%
Pennsylvania (State)	3⅜%	1974-1975	3.00%	2.85%
Vermont (State)	3⅛%	1978-1979	3.15%	3.00%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.30%	3.15%
Los Angeles, Calif.	3¾%	1978-1980	3.80%	3.65%
Baltimore, Md.	3¼%	1980	3.40%	3.30%
Cincinnati, Ohio	3½%	1980	3.30%	3.20%
New Orleans, La.	3¼%	1979	3.70%	3.60%
Chicago, Ill.	3¼%	1977	3.80%	3.65%
New York City, N. Y.	3%	1980	3.75%	3.70%

October 26, 1960 Index=3.3230%

Form Oscar Williams Co.

(Special to THE FINANCIAL CHRONICLE)

MIAMI, Fla. — Oscar Williams & Company has been formed with offices in the Seybold Building to engage in a securities business. Officers are Oscar Williams, President; H. Margolies, J. Schwartz, and A. Sklow, Vice-Presidents; and H. Barry Ressler, Secretary-Treasurer.

With Blunt Ellis

CHICAGO, Ill. — Karl B. Guiney has been added to the staff of Blunt Ellis & Simmons, 111 West Monroe Street, members of the New York and Midwest Stock Exchanges.

Joins Cruttenden, Podesta

CHICAGO, Ill.—Jan G. Brecknitz has become associated with Cruttenden, Podesta & Co., 209 South La Salle Street, members of the New York and Midwest Stock Exchanges. He was formerly with Eastman Dillon, Union Securities & Co.

Fred Adams Now With Glore, Forgan Co.

CHICAGO, Ill. — Fred E. Adams, Jr. has become associated with Glore, Forgan & Co., 135 South La Salle Street. He was formerly with Eastman Dillon, Union Securities & Co. and Swift, Henke & Co.

Hentz Adds to Staff

CHICAGO, Ill. — Joel J. Bellow has been added to the staff of H. Hentz & Co., 141 West Jackson Boulevard.

With Lehman Brothers

CHICAGO, Ill. — Richard J. Thompson is now connected with Lehman Brothers, 39 South La Salle Street.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Information, where available, includes name of borrower, amount of issue, maturity scale, and hour at which bids will be opened.

Oct. 27 (Thursday)			
Consumers Public Pwr. Dist., Neb.	1,500,000	1964-1990	Noon
Saginaw Township Community School District, Michigan	2,975,000	1962-1989	7:30 p.m.
Oct. 28 (Friday)			
Minneapolis, Minnesota	3,400,000	1989	4:30 p.m.
Washington Co. Supervisors Dist., Mississippi	2,500,000	1961-1985	11:00 a.m.
Oct. 31 (Monday)			
Rochester Comm. Sch. Dist., Mich.	1,600,000	1961-1986	8:00 p.m.
Nov. 1 (Tuesday)			
Berea City School District, Ohio	1,500,000	1962-1982	Noon
Bloomington, Minnesota	3,000,000	1963-1982	5:00 p.m.
Boston Metro. Dist., Massachusetts	2,444,000	1970-1990	11:00 a.m.
Cook County, Illinois	25,000,000	1961-1975	11:00 a.m.
Grossmont Union High Sch. Dist., California	1,750,000	1962-1980	10:30 a.m.
Mecklenburg County, No. Carolina	5,000,000	1962-1987	11:00 a.m.
Montgomery County, Ohio	1,243,000	1961-1981	Noon
Northern Burlington County Regional School District, N. J.	1,210,000	1961-1981	8:00 p.m.
Pinellas Co., South Cross Bayou San. Dist., Florida	5,450,000	1965-1955	-------
St. Cloud, Florida	1,000,000	1961-1990	11:00 a.m.
Nov. 2 (Wednesday)			
Cortland Central School District, New York	1,895,000	1961-1980	2:00 p.m.
Greenburgh Union Free Sch. Dist. No. 8, New York	3,600,000	1961-1990	2:00 p.m.
St. Clair School District, Michigan	1,325,000	1963-1987	7:30 p.m.
University of Kentucky	8,000,000	1962-1986	1:00 p.m.
Youngstown City Sch. Dist., Ohio	1,960,000	1962-1980	1:00 p.m.
Nov. 3 (Thursday)			
Minneapolis, Minnesota	1,500,000	1963-1980	10:00 a.m.
Santa Clara, California	5,650,000	1961-1985	8:00 p.m.
Trenton, New Jersey	10,875,000	1961-1985	11:00 a.m.
Will Co. Sch. Dist., Illinois	1,950,000	1962-1977	7:30 p.m.
Nov. 7 (Monday)			
Bethlehem & New Scotland Cen. Sch. Dist. No. 6, New York	3,075,000	1961-1989	12:30 p.m.
Coahoma County Sch. Dist., Miss.	1,200,000	1962-1981	2:00 p.m.
Rock Island, Illinois	1,750,000	1961-1990	4:00 p.m.
Nov. 9 (Wednesday)			
Maui, Hawaii	1,700,000	1964-1980	9:00 a.m.
Mississippi	12,000,000	1961-1980	10:00 a.m.
Nov. 10 (Thursday)			
Hampton, Virginia	2,000,000	1961-1980	Noon
Odessa, Texas	2,836,000	-------	2:30 p.m.
Nov. 14 (Monday)			
South Euclid-Lyndhurst City Sch. District, Ohio	1,050,000	1962-1982	1:00 p.m.
Nov. 15 (Tuesday)			
Clinton Township, Michigan	1,415,000	1964-1999	8.00 p.m.
Hudson County, New Jersey	5,096,000	1961-1985	Noon
Massachusetts	34,750,000		
*New York State Housing Finance Agency, New York	100,000,000	-------	-------
*Negotiated sale to be underwritten by a syndicate managed by Phelps, Fenn & Co., and including, among others, Lehman Bros., Smith, Barney & Co., Inc., and W. H. Morton & Co., Inc.			
Port of Los Angeles, California	14,000,000	1963-1985	-------
Tennessee Valley Authority, Tenn.	50,000,000	-------	-------
Nov. 16 (Wednesday)			
Dayton, Ohio	4,800,000	1962-1981	-------
Philadelphia, Pennsylvania	35,085,000	1962-1991	Noon
South Carolina	5,000,000	1961-1980	11:00 a.m.
University of Illinois	7,950,000	-------	-------
Nov. 17 (Thursday)			
Cedar Rapids, Iowa	1,917,000	-------	10:00 a.m.
Nov. 18 (Friday)			
University of California, Calif.	3,700,000	1961-1988	10:00 a.m.
Nov. 21 (Monday)			
Maricopa County, Scottsdale Sch. District, Arizona	3,945,000	1961-1974	11:00 a.m.
Nov. 22 (Tuesday)			
Cajon Valley Union School Dist., California	1,220,000	-------	-------
Dec. 1 (Thursday)			
*Oklahoma City Improve. Author., Oklahoma	45,000,000	-------	-------
*A negotiated sale of a minimum of $45,000,000 and a maximum of $65,000,000, to be underwritten by a syndicate managed by John Nuveen & Co., Allen & Co., B. J. Van Ingen & Co., Inc., and Leo Oppenheim & Co.			
Dec. 6 (Tuesday)			
San Diego Unified Sch. Dist., Calif.	10,000,000	1963-1982	-------
Dec. 7 (Wednesday)			
Fairfax County, Virginia	8,500,000	1962-1988	-------
Dec. 13 (Tuesday)			
Los Angeles County Hospital Dist. California	7,000,000	-------	-------

Economic Outlook Is Much Better Than Alarmists Aver

By Dr. Jules Backman,* *Research Professor of Economics, School of Commerce, Accounts and Finance, New York University.*

Professor and consultant on economics describes himself as a pessimistic optimist for the short run and an optimist for the long run. He lists major economic changes that have occurred, assesses the economy's major segments, and concludes the record high end product demand for the third quarter of 1960 is a creditable achievement with many of the adverse developments already reflected in the current situation. As for what lies ahead, Dr. Backman expects more intensive competitive struggle, and narrower profits which may reduce the incentive for capital investments. Also, the new modified economic environment we have could, on balance, result in a sounder basis for economic growth than that for the past 15 years. He advocates tax and foreign aid reforms, and calls attention to the sensational increase in post-war II debt compared to post-war I debt.

Where do we stand in the economy today? In many respects the statements being made by politicians and some economic observers remind me of nothing so much as the story of the blind men and the elephant. You will recall that one blind man felt the tail of the elephant and thought he held a rope; a second felt its side and thought it was a fence: a third felt the foot and thought it was a tree trunk; a fourth felt the tusk and thought it was a spear. So today one can prove almost anything one wants to prove about the business picture by the careful selection of data. Let us examine the entire picture.

Jules Backman

During the third quarter, Gross National Product was about $503 billion which was at or close to the highest level ever reached. Even more important, the total end product demand, which excludes the effect of inventory changes has risen steadily and sharply for each quarter including the third quarter as follows:

	End Product Demand (billions of dollars)
1959, 4th Quarter	481.7
1960, 1st Quarter	489.9
1960, 2nd Quarter	499.7
1960, 3rd Quarter	503.0

These figures show the basic strength in the underlying situation in our economy. Let me hasten to add that end product demand reached new record levels in the third quarter despite the sharp decline in steel operations, despite the lagging tendencies in housing, and despite the liquidation of inventories. In other words, the current situation already reflects the impact of these adverse developments.

One of the outstanding facts to keep in mind is that there has been a shift of approximately $15 billion in the inventory sector of the economy from a rate of increase of about $12 billion early this year to a rate of liquidation of about $3 billion currently. Nevertheless, the economy as a whole has continued at high levels and has not been thrown into a tailspin. The maintenance of high level demand should not provide any surprise, because total personal income has continued to rise and the total volume of employment has been at all time record levels. In fact, despite the major decline in the steel industry total industrial production has only fallen less than 4% from its all time peak level. One reason why this decline has not spiraled is that almost half of the nation's economic activity is accounted for by Federal, State, and local government purchases ($98.6 billion) and consumer purchases of services (133.0 billion). These two areas have shown persistent expansion in recent years as well as in 1960.

It should be noted that the rise of 5% in end product demand since the last quarter of 1959 was reflected substantially in real terms since price inflation has been minimal during this period.

Disturbing Signs

I do not mean to imply that there are no signs of weakness in our economy. One of the disturbing facts is that new orders have been running below deliveries so that the backlog of unfilled orders has been declining. Unfortunately, the real meaning of these trends is not clear because the steel strike and its aftermath has influenced the data to a significant degree.

Moreover, we cannot be satisfied with the situation in which unemployment has been maintained between 3.4 and 4 million. Nor, can we ignore the disturbing implications of the outflow of gold, the lack of buoyancy in fall business activity, the sharp decline in the stock market and the narrowing of profit margins which has caused concern in many industries.

The main point that I would make is that we have already seen the effect on our economy of a decline of 43% in steel operations, 16% in residential construction and a $15 billion swing in inventories. The significant news is that these adjustments did not affect other segments of the economy and bring about a reduction in total economic activity.

Thus, as we try to project the economy for the months ahead we are standing at or close to the highest peak ever attained and while there have been some small rockslides there is no evidence that this peak is about to crumble away beneath our feet.

Major Economic Changes

In projecting the business outlook, it is important to recognize some major changes in our economic environment. In the last year or two there have emerged several new factors which were not present in the earlier post-war years. They will play a significant role in the business outlook and in the outlook for corporate profits. Among these factors are the following:

(1) There has been an **intensification of competition from here and abroad.** The shortages accompanying the high level of deferred demand have given way to surpluses. The seller's market has been replaced by the buyer's market. Since the end of the war American industry has invested over $400 billion in new plant and equipment with the accompanying significant addition to total capacity. This has several consequences which are sometimes overlooked. First, there is less urgent need for new plant and equipment to meet prevailing and prospective short run demand. To an increasing extent new plant and equipment expenditures have been designed to increase efficiency and thereby to reduce costs rather than to add to total capacity. Secondly, ample supplies of goods are available and output can be increased readily if new demand emerges. This has an important bearing on the size of inventories carried and hence upon the volume of credit involved in financing inventories.

The intensification of competition from abroad has added to total supply available in this country and has resulted in some pressure on domestic prices. Many illustrations can be cited including textiles, transistor radios, cameras, and aluminum. The number of products affected by such competition will broaden rather than narrow. Moreover, the opening up of the St. Lawrence Waterway has increased the impact of foreign competition in the middle west because of the freight savings involved in direct shipment by water.

(2) Another major development is the **containment of inflation.** Wholesale prices on the average have remained about unchanged for 2½ years while consumer prices have risen only modestly. The rise in consumer prices reflects primarily the wage inflation in the service industries.

A shift from price inflation to stability affects significantly the expectations and planning of many businessmen. The incentive to build now because it will cost more tomorrow is dampened down. The willingness to speculate in inventories tends to be curbed. Business decisions are made in terms of basic requirements rather than distorted by the hope of outguessing the next surge of price inflation. Price stability has been a major achievement of the past two years. That it has not been accompanied by even larger disturbances to the economy than those described earlier is the real news concerning our economy in recent months.

3. Our **international balance of payments** has resulted in the accumulation of large credit balances by foreigners and an **outflow of gold.** This represents a fundamental change in our international position and has several consequences which cannot be ignored. The net deficit of $3 to $4 billion a year is about in line with our expenditures for foreign aid. While I have favored our foreign aid program throughout the post-war years, it seems to me that the time has now arrived when we must seriously reconsider our policy in this area. It is one thing to make gifts and loans out of a surplus when available. It is an entirely different matter to follow such a policy when it adds to or creates a deficit in your international accounts. Under the latter circumstances our position is weakened and the long-term adverse effects of such weakness

Continued on page 42

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Auto-Smog — Review in current issue of "Science and Securities"—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also in the same issue are articles on **Nucleonics, Desalting Water, Electronics,** and **Drugs** with selected issues in each field.

Bank Stock Notes — Circular on leading New York City Banks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Bank Stocks — 114th consecutive quarterly comparison of leading banks and trust companies of the United States — New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Business Outlook Through April 1961—Survey in current issue of "Investors Reader" — Merrill Lynch, Pierce, Fenner & Smith, Incorporated, 70 Pine Street, New York 5, N. Y. Also available in the same issue are reviews of **Diebold, Inc., Armstrong Cork Company, General Public Utilities Corp., Inland Container Corp., Chas. Pfizer & Co., Federal Mogul Bower Bearings Inc., Ranco, Inc.** and **Crown Zellerbach.**

Cuban Crisis and Beet Sugar Industry—Analysis—Hooker & Fay, 221 Montgomery Street, San Francisco 4, Calif. Also available is an analysis of **Interstate Department Stores.**

Gold — Analysis of current gold situation — Boenning & Co., 1529 Walnut Street, Philadelphia 2, Pa.

Gold Situation—Bulletin—Shearson, Hammill & Co., 14 Wall St., New York 5, N. Y. Also available is a memorandum on **Electronics Research Associates.**

Japanese Market — Review—Yamaichi Securities Co. of New York Inc., 111 Broadway, New York 6, N. Y. Also available are reviews of **Ohbayashigumi Ltd.** and **Nihon Doro Kabushiki Kaisha (Japan Road Co.)**

Japanese Market—Review—Nikko Securities Co., Ltd., 25 Broad St., New York 4, N. Y. Also available is a report on **Sony Corp.**

Meat Packing Industry—Analysis—Halle & Stieglitz, 52 Wall St., New York 5, N. Y.

Japanese Stock Market — Survey—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a discussion of the new administrative amendment to the foreign investment law of Japan and analyses of **Sony, Mitsui Bussan, Fuji Electric Manufacturing, Nippon Steel Tube, Isuzu Motor, Toyo Rayon, Toyota Motor, Mitsui Chemical Industry,** and **Kirin Breweries.**

Motor Carrier Industry—Detailed study — Shields & Company, 44 Wall Street, New York 5, N. Y. Also available are surveys of **Oxford Manufacturing, Du Bois Chemical** and **Ald, Inc.,** a memorandum on **Peabody Coal.**

Motor Carrier Industry—Analysis of financial position by Frank C. Rathje, Jr., — Continental Illinois National Bank and Trust Company of Chicago — American Trucking Associations, Inc., 1616 P Street, N. W., Washington 6, D. C.

Oil Industry—Analysis—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are bulletins on **Southern Railway, Missouri Kansas Texas, Natural Gas Pipeline Stocks, New York State Electric & Gas Corporation, Prentice Hall, Southern California Edison Company, Southern Company, Southern Pacific** and **Warner & Swasey.**

Oil Stocks—Review—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 20-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Railroad Income Bonds—Bulletin—Reynolds & Co., 120 Broadway, New York 5, N. Y.

Railroad Switch Suggestions for Tax Loss — Bulletin — Vilas & Hickey, 26 Broadway, New York 4, N. Y.

Safekeeping and Servicing of Securities — Booklet — The Chase Manhattan Bank, 18 Pine Street, New York 15, N. Y.

Shoe Stocks—Analysis—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

Stochasticism and the Stock Market—Stearns & Co., 72 Wall St., New York 5, N. Y.

Tax Loss Candidates—Tabulation—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga. Also available is a memorandum on **National Linen Service.**

Tax Switches—A list of suggestions — Cooley & Company, 100 Pearl Street, Hartford 4, Conn.

Textiles — Discussion in October issue of "The Exchange" Magazine—The Exchange Magazine, 11 Wall Street, New York 5, N. Y.—$1.50 per year; 20¢ per copy. Also in the same issue is a discussion of companies active in Cuba, and data on **Aro Equipment Corp., Coca Cola Bottling Company of New York, Engelhard Industries, Inc., Hoover Ball and Bearing Company, Indiana General Corporation** and **J. W. Mays Inc.**

Western Europe—Review—Ralph E. Samuel & Co., 2 Broadway, New York 4, N. Y.

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Amerada Petroleum—Chart Analysis — Bache & Co., 36 Wall St., New York 5, N. Y. Also available is a chart analysis of **Shell Oil.**

American Greetings Corp.—Memorandum—Baker, Weeks & Co., 1 Wall Street, New York 5, N. Y.

American Smelting & Refining—Review — Penington, Colket & Company, 70 Pine Street, New York 5, N. Y. Also available is a review of **American Cyanamid.**

Clary Corp.—Memorandum—Greene & Ladd, Third National Bank Building, Dayton, Ohio.

Cosnat Record Distributing Corporation—Analysis—James Anthony & Co., 37 Wall Street, New York 5, N. Y. Also available is an analysis of **Entron Inc.**

Crown Cork & Seal — Memorandum—Theodore Tsolainos & Co., 44 Wall Street, New York 5, N. Y.

Culligan, Inc.—Analysis—Chesley & Co., 105 South La Salle Street, Chicago 3, Ill.

Decca Records — Analysis — Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

Diversa Inc. — Analysis — John R. Lewis, Inc., 1000 Second Avenue, Seattle 4, Wash.

Du Bois Chemicals Inc.—Analysis—Westheimer and Company, 326 Walnut Street, Cincinnati 2, Ohio.

Food Machinery & Chemical—Bulletin—Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Ill.

Foremost Dairies—Analysis—Parrish & Co., 40 Wall Street, New York 5, N. Y.

General Cigar Company — Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Hallicrafters Co. — Report — B. N. Rubin & Co., Inc., 56 Beaver St., New York 4, N. Y.

Hazeltine Corporation — Analysis—Glore, Forgan & Co., 45 Wall Street, New York 5, N. Y. Also available is a brochure on **Jim Walter Corporation.**

Hazeltine Corp.—Data—Purcell & Co., 50 Broadway, New York 4, N. Y.

H. J. Heinz — Review — Morgan Davis & Co., 63 Wall Street, New York 5, N. Y.

Hoogovens Steel—Memorandum—Bear, Stearns & Co., 1 Wall Street, New York 5, N. Y.

International Telephone — Memorandum—Laidlaw & Co., 25 Broad Street, New York 4, N. Y. Also available are memoranda on **American Home Products** and **Polaroid.**

Interstate Department Stores — Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Interstate Department Stores—Analysis—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available are analyses of **United States Fire Insurance Co.** and **Clevite Corporation.**

Latin American Petroleum Developments—Review in current issue of "Latin-American Business Highlights" — Chase Manhattan Bank, 18 Pine Street, New York 15, N. Y. In the same issue is a review of **Health in Latin America.**

Lock Joint Pipe Company—Bulletin — Georgeson & Co., 52 Wall Street, New York 5, N. Y.

MPO Videotronics—Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also available is a memorandum on **Book of the Month Club.**

Mergenthaler Linotype Company — Analysis — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y. Also available is a report on **Crowell Collier Publishing Company,** and a booklet on "How to Find Prospects for Mutual Funds."

Midwestern Financial Corporation—Analysis—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

Oklahoma Natural Gas Co. — Review — Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Spartans Industries, Inc.**

O'Sullivan Rubber—Memorandum—Schuster & Co., Inc., 37 Wall Street, New York 5, N. Y.

Papercraft Corp.—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Penobscot Chemical Fibre — Card memorandum—May & Gannon, Incorporated, 140 Federal Street, Boston 10, Mass.

Pfaudler Permutit—Memorandum—Hugh Johnson and Company, Inc., Rand Building, Buffalo 3, New York.

Philip Morris, Inc.—Analysis—H. Hentz & Co., 72 Wall Street, New York 5, N. Y.

Random House, Inc. — Bulletin — Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. Also available are bulletins on **Columbian Carbon Company** and a discussion of Investment Policy at the present time.

Random House, Inc. — Review — Cooley & Company, 100 Pearl Street, Hartford 4, Conn. Also available is an analysis of **Litton Industries.**

Reliance Electric & Engineering—Memorandum — Sprayregen, Haft & Co., 26 Broadway, New York 4, N. Y.

Reliance Manufacturing Company—Analysis—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available is a review of **Columbia Pictures Corp.** and a bulletin on **St. Regis Paper.**

Schlumberger Ltd.—Memorandum—Ray B. A'Hearn, Belmont Road, Butler, Pa.

Herman H. Smith Inc. — Analysis—V. S. Wickett & Company, Inc., 99 Wall Street, New York 5, New York.

Southern California Edison—Memorandum—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

Southern Union Gas Company — Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Illinois.

Spiegel, Inc.—Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also available is a bulletin of **Tax Switch** suggestions, and an analysis of **First Charter Financial Corp.**

Standard Dollsman Industries, Inc.—Analysis—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y. Also available is a memorandum on **Skyline Homes.**

Standard Oil Company of Ohio—Analysis—F. S. Moseley & Co., 120 Broadway, New York 5, N. Y.

State Street Investment Corp. — Descriptive booklet — Kidder, Peabody & Co., 75 Federal St., Boston 1, Mass.

Stratton & Terstegge Company—Analysis—Charles A. Taggart & Co., 1516 Locust Street, Philadelphia 2, Pa.

Superior Electric — Memorandum—Davis & Davis, 70 Westminster Street, Providence 1, R. I.

Union Protestant Hospital Company—Bulletin—B. C. Ziegler and Company, Security Building, West Bend, Wis.

United Sheet Metal — Memorandum—R. W. Pressprich & Co., 48 Wall Street, New York 5, N. Y.

Vick Chemical — Memorandum — Spear, Leeds & Kellogg, 111 Broadway, New York 6, N. Y.

L. E. Waterman Pen Company Limited — Analysis — Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

Western Publishing Co., Inc. — Report—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are reports on **First National Stores, Lucky Stores** and **Food Fair Stores, Inc.**

Yardney Electric — Memorandum—A. M. Lerner & Co., Inc., 15 William Street, New York 5, N. Y.

Yorktown Products Corporation—Bulletin — Bourke & Omen, 249 East 48th Street, New York 17, N. Y.

NSTA NOTES

SECURITIES DEALERS OF THE CAROLINAS

J. Nathan McCarley

Arthur C. McCall

At the annual meeting of the Securities Dealers of the Carolinas the following officers were elected:

President—Arthur C. McCall, Alester G. Furman Co., Greenville, S. C.

Vice-President—J. Nathan McCarley, McCarley & Co., Asheville, N. C.

Secretary — Arthur M. Rose, Interstate Securities Corp., Charlotte, N. C.

Treasurer—Charles E. Menefee, Jr., Robinson-Humphrey Co., Charleston, S. C.

INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

The Investment Traders Association of Philadelphia will hold its Eighth Annual Dinner Dance on Saturday evening, November 12, at the Germantown Cricket Club.

Sales Outlook for Cars Looks Encouraging for 1961

By Byron J. Nichols,* *Group Vice-President, Automotive Sales, Chrysler Corp., Detroit, Michigan*

Automotive official supplies variety of reasons supporting his prediction of a very good year for the industry in 1961. Mr. Nichols believes that general economic conditions will be stable and rising, but containing some very important changes, and that total U. S. new-car sales will be at least as good as 1960 sales. This means about 6½ million new cars in 1960, one of the two best auto years, and that or more in 1961, compared to the record high of 7.2 million cars in 1955.

Two years ago this fall we were coming out of a recession, and the automobile industry was experiencing a less than satisfactory year. This year things are different —and the difference is pleasant. Nineteen-sixty should turn out to be one of the two best years in automotive history, second only to 1955 when 7.2 million cars were sold at retail. By the time Dec. 31 rolls around, we should be able to look back on a year in which 6½ million new cars were sold, including imports.

Byron J. Nichols

Unsatisfactory as 1958 was, it had its brighter side. General business conditions improved throughout most of the year, and all of us were looking forward to further improvement in 1959. At the time, I felt justified in saying there was a real possibility that U. S. retail sales of new cars in 1959 would show an increase of 30% over 1958. As it turned out, 1959 retail sales showed an increase of 29½%.

In making a prediction today I doubt if I could come as close to the mark as I was fortunate enough to do two years ago. Remember, in 1958 it didn't take clairvoyance to see that a big increase in automobile sales was almost inevitable. At the beginning of that year, the recession was in full stride, and it was depressing consumer confidence out of all proportion to the actual declines in economic activity. Also, during the three year period that preceded 1958, motorists had bought 19 million cars and were in a position to postpone new-car purchases. Moreover — with general business conditions improving steadily—there was a very good chance that the people who put off buying new cars in 1958 while waiting for the economic weather to clear would buy in 1959.

Expects Stable and Rising Recovery

This year the job of forecasting is more difficult. We are not moving into a period of recovery from low levels of economic activity. We are in a period when the general economy as well as automobile sales are already at high levels. And the big question is: "Can these high levels be sustained in the coming year?"

There are good reasons for believing that business conditions out ahead will be stable and rising —and that instead of moving toward an inventory adjustment similar to those of 1949, 1954, and 1958, we have been making such an adjustment in recent months, and may already have put most of it behind us. Certainly there are indications that progress is being made in ironing out the ups and downs of business cycles. Even in the automobile business —which has an unusually volatile market—the annual sales volume in recent years has been remarkably stable. Except for 1955, in which retail sales of new automobiles exceed seven million, and 1958, when they dropped below five million, the market for new cars during the last six years, including 1960, has been relatively level. The yearly average during this period has been a little over six million units. *And only one year of the six has shown a sharp dip below that average.*

As we look forward to 1961, we have many excellent reasons for confidence. The economy in general is healthy and strong. The Gross National Product has been rising steadily throughout the past year and is at the highest annual rate in history. Consumer demand has been high and steady. Employment and personal income are at record-high levels, and personal savings are very close to an all-time high. There are encouraging signs in many areas of the economy. Exports have been rising, steel consumption is exceeding production, and construction is continuing at high levels of activity. In addition, it seems clear that government expenditures are rising above recent levels and will continue to rise.

Reasons for a Good Auto Year

Within the automobile industry itself, we find special reasons for confidence. Many of the forces that have made 1960 an excellent year for sales will continue to work in our favor in 1961. The suburbs continue to grow. And since the great majority of suburbs make little or no provision for public transportation, more and more people are going to have to rely on automobiles. Family formation is increasing by about half a million a year, and many of these new families are going to need automobiles. Moreover, many established households now find that one car in the family is inadequate. Multi-car households have increased by 67% in the last five years. More than 18% of car-owning families—or 13½% of all families—now own two or more cars.

There are other reasons for looking forward to a very good year for the automobile business in 1961. The new-car market will again be stimulated by the introduction of four new compacts. And the other 1961-model cars will have new styling and new mechanical features to interest the customer. And there is another factor just as important as the introduction of new cars and new features. Two out of every three sales of new cars are normally made to customers owning cars less than five years old — and at present there are 27 million cars on the road in that age class. That is a very broad target for automobile salesmen to shoot at.

For all of these reasons, we at Chrysler currently are planning for a year in which total U. S. new-car sales will be at least as good as 1960 sales. And, as I mentioned earlier, the 1960 total is expected to reach 6½ million cars, including imports. We are also aware that the potential is there to make 1961 a much better year than 1960. And we — along with the rest of the industry — are going to do everything in our power to realize that potential.

My remarks about present automotive trends carrying over into 1961, about the levelling out of our annual sales volume, and about stable business conditions are not meant to suggest that the automobile industry is entering some kind of static phase. Far from it. It is quite clear that dynamic change will continue to play an important role in the business. To know this, we need only to look at some of the changes that have occurred since 1958.

Dynamic Changes in the Economy

One change has to do with product. During no other two-year period in history has a greater variety of automotive products been made available to the motoring public. Responding vigorously to the motorist's personalized and specialized needs, the industry has been turning out not only fresh models of established lines, but completely new cars featuring new design, new body construction, new engines, and new transmissions.

Another change has to do with economy. The increasing interest in economy appears to be the result not of fad or novelty, but of basic changes in the American society itself. Take population groupings. The teen-age group and the over-65 group are growing fast. And the rapid growth of these relatively low-income groups means that more and more people are becoming interested in automotive economy. Or take the average family budget. It is true that family income is on the rise, but so are the demands made on that income—for housing, education, medical care, and dozens of other goods and services. With expenses like these, many families are interested not only in automotive economy, but in other kinds of economy as well.

The growing demand for automotive economy is clearly illustrated by what has been happening in the low-price sector of the market. The cars we normally think of as being in the low-price sector, including the small imports and the American-built compacts, have increased from a 67.9% share of the market in 1958 to 74.9% in the first seven months of this year. And by the end of this year, with the introduction of four new compacts, the cars in that class should be selling close to 80% of the market.

The new American compacts already on the market have brought about the biggest recent changes in our business. The introduction of these cars last fall was a part of the automobile industry's response to the two trends I have just mentioned — specialized needs in transportation and motoring economy. And already these new cars have captured a substantial share of the market. In August they accounted for 29.3% of all U. S. retail sales. And with the four new compacts, U. S.-built economy cars will probably account for at least 35% in 1961. As you know, the American compacts also appear to be an effective answer to the so-called invasion of foreign cars. This year, foreign car sales are expected to reach only about 450,000 units, which would be a drop of about 26% from last year.

The new cars and new styles —the improvement and innovations—the ferment and change—all will be present in 1961 to create the kind of challenge and opportunity the automobile industry thrives on. It will be a good year for the customer, too. Every automobile company, domestic and foreign, will be bidding in the market for his favor. In addition to having four more new compacts to choose from, the car-buyer will be presented with the widest range of car sizes, models, horsepower ratings, styles, mechanical options, and prices ever to be brought to market.

We in the industry are looking forward to a year that will be both exciting and successful.

*An address by Mr. Nichols before the 8th Annual Marketing Conference, National Industrial Conference Board, New York City.

Evans Joining R. S. Dickson Co.

CHARLOTTE, N. C.—R. S. Dickson and Co. will open a branch office in St. Petersburg, Fla., Nov. 1, according to J. Murrey Atkins, President.

J. Herbert Evans

The investment securities firm, whose principal office is in Charlotte, recently acquired J. Herbert Evans & Co. of St. Petersburg and will occupy the Evans site at 90 Thirty-First Street South.

J. Herbert Evans, veteran Florida securities dealer, will serve as Branch Manager, and Clifford B. Thomas, an Evans associate, will be retained as a Registered Representative. Mr. Evans was President of his own investment company for the past five years.

The St. Petersburg office will be R. S. Dickson and Company's 11th branch office and its third in Florida. Other Florida offices are in Jacksonville and Miami.

R. S. Dickson and Co. was founded in 1919 and serves as underwriters, distributors and dealers for corporate and municipal securities. The firm also has branches in New York, Chicago, Atlanta, Richmond, Raleigh, Greensboro, Columbia and Greenville.

Chemical Industry's Sales Outlook in 1961

By I. H. Munro, Vice-President, Marketing Allied Chemical Corp., New York City*

Changes in the chemical industry's economics, portend a levelling off of sales next year, though this year should finish strong, and require more profitable marketing rather than more sales volume. Mr. Munro envisions this and greater intra-industry as well as inter-industry and foreign competition running head-on into higher costs and, thus, necessitating careful selection and prompter commercialization of products with higher profit ratios or some other advantage.

What will happen in 1961? If anyone knew, they wouldn't tell. Further, it may take some time to figure out what has happened in 1960 to say nothing of what 1961 will bring.

I. H. Munro

However, there are certain guides to the question that is so important to all of us. Chemicals are required by practically every manufacturing operation, and all of the major industries are big customers. As a result, when they have a slack period or if there's a period of expansion in industry generally, chemicals may be expected to show a similar trend. So I'm in the fortunate position of following the experts and we can base our conclusion on what we have learned from them.

Many probably have all heard that chemicals have enjoyed a fabulous growth rate during the past 25 years, increasing some 7% a year, or twice the rate of the average for all manufacturing. For the past 14 years this pace has dictated capital investments averaging a billion dollars a year. Only the petroleum industry has been spending more. As a consequence, sales were about $25 billion last year, making the chemical industry rank fourth in importance—on a par with automobiles.

The reason for this rapid growth rate in the past has been the fact that chemicals were replacing natural materials. Synthetic rubber is a case in point. Also, rayon was a classical example when it replaced silk. Plastics grew to be a billion - dollar - a - year industry after World War II because they replaced metal or wood in so many uses.

Situation Now Is More Complicated

Now, the situation is getting more complicated. As an illustration, we have — right within the industry — nylon competing with rayon for the tire cord market. There's lively competition, too, between the polyester-type synthetic fiber, exemplified by Dacron, and the acrylic type — of which Orlon, Acrilan and Creslan are examples, also in competition with each other.

In the plastics field, vinyls, cellophanes and polyethylenes and a good many others strive to replace each other as packaging materials; while alkyd oil-based resins have had to yield room in the market to butadiene or latex for water-based paints.

As a result of this problem—this intramural competition—it is going to be difficult to make a firm forecast of sales for 1961.

The Manufacturing Chemists' Association made a survey in July which revealed that sales for the current year might surpass $28 billion, compared with the previous high of $25.7 billion in 1959. There seemed to be no question that this year would finish strong. In July it looked to these manufacturers that the upward sales trend would continue with a 5% to 8% rise in 1961. In the light of current conditions, this may be a somewhat optimistic view.

Stresses More Profits to More Sales

However, when we talk about marketing chemicals, I think we mean moving them profitably, rather than just sales volume, and this is becoming more and more of a problem and will strongly color the picture for 1961. With a 5% increase in costs expected during the next 12 months, margins are sure to shrink and the chemical industry will have to think more of profitable marketing and less just of sales volume.

In addition to higher costs for wages, equipment, freight and fuel, and bigger research budgets, an excess capacity for certain chemicals has been the principal factor in the shrinking profit margins, because with these conditions, appropriate price increases are impossible. In an attempt to add volume, some important price reductions have been made, notably for polyethylene. Historically, such price reductions have greatly increased applications and boosted sales.

Among these chemicals for which there is or soon will be an excess of productive capacity, in terms of current market, are: ethylene glycol, the permanent anti-freeze; ammonia; phthalic anhydride, a major starting material for paints and coatings resins; and even maleic; polyethylene, the largest volume plastic; phenol, formaldehyde, benzene, and acrylonitrile. One of the reasons for this excess capacity has been the entry into chemical production of a large number of companies from other industries, principally petroleum.

Outside Competition

Lured by the prospects of higher profit margins, a number of other companies have been invading all segments of the chemical industry. In spite of the fact that the glamor may have worn off after these companies became familiar with the expenses of selling and distribution, the parade of new entrants seems likely to continue.

In addition, companies have been integrating backward to secure access to their own sources of basic chemicals and intermediates. The rise in competition has been characterized as rugged, and will require intensification of marketing efforts for those chemical companies that want to maintain their positions.

In 1961, chemical sales will have to face increased competition from materials produced outside of the United States. Foreign manufacturers turn out first-class chemicals in modern, well equipped plants, and they have an extremely important advantage over us in their low-cost labor. With other countries able to undersell us frequently, the amount of imported goods has begun to climb. To counteract this trend, it has become increasingly popular for our chemical companies to carry on sizable programs overseas by building plants on foreign territory and establishing markets around the world.

Sums Up the Industry's Problem

In short, four factors — higher costs, stiffer domestic competition, excess capacity and foreign competition — are going to have an even more pronounced effect on the profitable marketing of chemicals in 1961 than they have had in 1960.

Sulfuric acid, chlorine, and other basic chemicals have often been called "economic barometers." Similarly, there are three major classes of chemicals that have come to have a role in forecasting trends. These are the plastics, synthetic fibers, and fertilizers, industries within the industry which I will mention briefly.

Plastics and resins have been growing at about 12% a year during the past decade, with 1959 setting a record 25% increase over 1958. Production for 1960 is estimated at about 6½ billion pounds, 13% over 1959, according to the Society of the Plastics Industry. This is essentially a growth industry, but all indications are pointing to a leveling off. While more plastics will be turned out in 1961 than in 1960, next year's increase is expected to be minor compared to this year's.

Similarly, for synthetic fibers, 1959 was an all-time high at about 2 billion pounds. The outlook is one of continued expansion, especially among the nylon, acrylic and polyester fibers. One by one, producers are announcing plans to double and triple capacity, and these commitments, you can be sure, are based on careful market studies of future demand. However, next year will see even greater competition, which may have its effect on price structures. Although figures for the first six months of 1960 are ahead of last year's first half, spokesmen for the fiber industry now see a marked leveling off with no increase of importance indicated for 1961.

Statistics on fertilizer consumption are compiled by the Department of Agriculture on a fiscal basis ending at mid-year. For the year ended June 30, 1959, agriculture in the United States used 2.6 million tons of nitrogen—which as a primary fertilizer component is considered a basic indicator in measuring economic trends. The capacity for fertilizer materials is currently ample and capable of taking care of the slight upward trend in consumption. Figures for the year ended June 30, 1960 have not been issued, but indications are they will show an increase of about 3% over the previous year; and, for the year ending June 30, 1961, there will be an upward trend of about the same order of magnitude.

Prompter Commercialization

Let me sum up by saying that 1961 may be the year when chemical sales begin to flatten out. The industry should be concentrating on cost reduction and marketing programs designed to bolster profit margins. With competition at every level and for every market, selling costs as well as other costs are going to be scrutinized and it appears now that the overall rate of increase in sales will be somewhat lower than the rate that has characterized the industry in the last few years.

I should also like to mention that this situation points up the necessity for careful selection, with prompt commercialization of research projects; particularly those with an indicated high profit ratio and for which the company doing the development work has some particular advantage. The edge may be a lower cost process, a better product, or a new unique material. It is these developments which will continue to maintain the chemical industry as a growth industry.

*Remarks of Mr. Munro at the National Industrial Conference Board's 8th Annual Marketing Conference, New York City, Sept. 16, 1960.

Connecticut Brevities

Officials of **Hamilton Standard** division of United Aircraft Corp., East Hartford, unveiled a revolutionary new propeller which gives greatly increased take-off and climbing power as well as greater range and speed to propeller-driven aircraft. Tests have shown that Hamilton's new product could extend the range of high speed transports up to 30% and add 60 miles per hour to the speed of low level attack planes. Development of the Variable Camber Propeller, as it is called, has been backed by a U. S. Navy contract. The propeller, which took more than two years to develop has been given extensive wind tunnel tests at United Aircraft's Research Laboratories.

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Connecticut Manifold Forms Co. of West Hartford has been purchased by Allied Paper Corp., of Chicago, fourth largest producer of business forms in the country. The parent company plans to expand its business in this area and it is expected that employment at the Connecticut subsidiary's plant will be increased.

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Branson Instruments, of Stamford, maker of ultrasonic cleaning and test equipment, has announced the formation of a wholly-owned European subsidiary to be located at Loosdrecht, near Amsterdam in The Netherlands. Mr. Peter K. Bloch, Branson's president, said that ultrasonic cleaning techniques presently unknown in European industry will be introduced and that eventually the subsidiary, to be known as Branson Europa N. V., will be a self-supporting manufacturing and marketing operation in Holland.

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SPAN, of Hartford, an insurance data processing organization and one of the largest magnetic tape centers in the country, has begun an expansion program with a 4,500-square-foot addition to its building. SPAN was opened in 1957 by four insurance companies: Springfield Insurance Cos., Phoenix (Fire), Aetna (Fire) and National Fire. SPAN took its name from the first letters of the names of these companies. Currently, sub-contract work is also being accepted from Aetna Life Insurance Co.

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S. Curtis & Son, Inc., of Sandy Hook, paper packaging maker, has acquired Valley-National Corp., Milldale, producer of plastic packaging. As Mr. Nelson G. Curtis, President of S. Curtis & Son, pointed out, this acquisition will enable the company to combine paper and plastics in manufacturing its packagings.

* * *

The Fenn Manufacturing Co, of Newington has purchased the Liquid Wheel Machine Co. of Indianapolis, Ind., and will move the business to Fenn's Newington plant. With this purchase, Fenn received sole rights to a new machine which uses a unique method for finishing metal parts. Fenn Manufacturing, a metal forming machine manufacturer, recently celebrated its 60th birthday. The company produced machines for the military effort in both world wars, had a part in developing the atomic bomb and has entered into new areas with emphasis on missile, space and nuclear work.

* * *

Soundscriber Corp. of New Haven is reported to have acquired all rights, designs and developments in connection with a line of office and portable magnetic tape dictating machines developed by Minnesota Mining & Manufacturing Co.

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Bridgeport Brass Co., Bridgeport, has formed a wholly-owned subsidiary, Bridgeport Brass, Ltd., headquartered in London. The subsidiary company will start production of valves in Northern Ireland. A 73,000-square-foot plant at Lisburn, near Belfast, will be used under a long-term lease. Arrangements for the project were worked out with the Ministry of Commerce for Northern Ireland.

* * *

Kaman Aircraft Corp. of Bloomfield has been awarded a $21 million contract by the Navy's Bureau of Weapons for production of the HU2K Seasprite utility helicopter. The Seasprite, which made its first flight 14 months ago, is reported to be able to attain speeds greater than those of fleet helicopters presently in use. Owing to its advanced navigational and electronic equipment, the HU2K has all-weather flight capability. The Canadian Navy is expected to purchase a number of Seasprites and the Japanese defense forces have also expressed interest in the HU2K and its anti-submarine detection performance.

Levine Synd. Mgr. For Winston Co.

Jack Levine has been appointed Manager of the Syndicate Department of J. A. Winston and Company, Incorporated., 11 Broadway, New York. Mr. Levine has been with the J. A. Winston organization for the past two years and has been active in various departments of the company.

Jack Levine

Form Diversified Properties

Diversified Properties, Inc. has been formed with offices at 635 Madison Avenue, New York City, to engage in a securities business. Officers are Harold P. Moon, President; Kenneth A. Gardner, Vice-President; and Robert P. Hutchins, Secretary - Treasurer. Mr. Moon was formerly with Sterling, Grace & Co. Mr. Gardner was with Goldman, Sachs & Co.

1961 Sales Outlook for Domestic Oil Business

By V. A. Bellman,* *Vice-President, Marketing, Mobil Oil Co., New York, N. Y.*

Oil executive is moderately optimistic about the outlook for 1961 sales. Mr. Bellman provides a detailed analysis of each important product of the industry and comes up with a forecast of 3% increase in total demand in 1961 compared to 1960 for all petroleum products. Taxes collected from motorists diverted to the U. S. Treasury's general fund should, he concludes, in criticizing the extent of such taxes, be spent on highways and would obviate the need for current one-cent increase in Federal gasoline taxes.

Before I analyze the sales outlook in the domestic oil business for 1961, I would like to touch on the present state of the petroleum industry as a whole. I want to provide some idea of the condition of the petroleum tree, so to speak, before I start crawling out on its 1961 limb.

Vernon A. Bellman

Its basic health is good after 101 years of profitable growth. It continues to grow tall, even if some of its limbs aren't quite as thick with green stuff as others. As a matter of fact, in the next 20 years, we expect the tree to grow twice as tall as it stands now.

I am sure many are aware that the petroleum industry in the past three years has been undergoing what some politely restrained oil men call a "cyclical adjustment," and what some others, including myself, think of as pretty rough times. Today we in the oil business find ourselves in a highly contradictory situation—our major problem results largely from our successes as oil hunters. I refer to the current oversupply of crude oil. At the same time, we are faced with excess refining capacity, so that refiners tend to run more crude oil through their plants than is necessary to meet the demand for petroleum products in this country. The effect has been to depress product prices seriously.

Together with rising costs, these factors have had an adverse effect on earnings pretty much throughout the industry. Although many of us have now managed to reverse the downward profit spiral, we are experiencing the sharpest competition in decades. I might add that in the United States there are 12,000 oil producing companies, 250 refining companies, and 28,000 marketing companies. In a period of severe price competition, one way a company can improve profit margins is by reducing its costs of doing business. The fact is, every major oil company I know of and a great number of smaller ones have in the past year or so undertaken a cost-reduction program to toughen their competitive fiber. We are brushing away the cobwebs, shaking off some outmoded customs, revamping our methods, and aggressively seeking new approaches.

I'm not saying our most serious problems have been solved, and that we can now expect clear sailing through the Nineteen Sixties. But we in the oil industry are moderately optimistic as we look at sales prospects for 1961.

Optimistic Assumptions

This forecast has been drawn up with a few general and equally optimistic assumptions in mind. The first, obviously, is that this year and next no major wars will break out, no national disasters will take place, and no significant shifts in the political power balance of the world will arise to change our attitudes. The second is that there will be no serious recession. And the third is that the industry will achieve the gains predicted for this year.

Now for the 1961 forecast of total U. S. demand for all petroleum products. We expect that total demand will increase 3% over 1960—specifically, that it will exceed 10,000,000 barrels a day for the first time.

Impact of Compacts

Because the forecasts for certain major product categories suggest their own particular significance, I include here some detailed analyses. For instance, automotive gasoline—the industry's principal product in this country—is expected to show an increase in volume in 1961 of 3%. Businessmen are probably almost as curious as oil men are about the effect of the compact cars and the small foreign imports on the consumption of gasoline in the United States. There have been some rash predictions on this score by casual observers. There is no doubt that the rate of growth in automotive gasoline consumption during the Nineteen Fifties will not be duplicated in the Nineteen Sixties. Equally, there is no doubt that the greater number of cars of all sizes on our highways in the coming decade will produce a continued, though somewhat slower, growth in gasoline consumption. We do expect that in 1961 the compact cars will have a greater influence on gasoline consumption than in 1960. The present proportion of American compact car sales is about one-quarter of the total new-car market. If only standard-sized cars were sold in 1961, gasoline demand would show a gain of 4% in that year instead of the 3% gain we expect.

If, as some auto manufacturers suggest, the proportion of compacts sold next year reaches as high as 50% of the total new-car market, the increase in gasoline demand would be 2% over 1960.

Of course, there have been a great many guesses about the compact cars' effect on gasoline demand. Some oil folk, including a number of my own colleagues at Mobil Oil Co., believe that the fuel economy of the compacts will, in the long run, mean more driving and hence more gasoline sold. I certainly hope that proves to be true.

Aviation Gas and Jet Fuels

The estimated changes in demand for aviation fuels show a dramatic trend. This is due, of course, to the growing use of jet and turbine aircraft by the commercial airlines and by the military. Demand for aviation gasoline will show a drop of 7% in 1961, while jet fuels will show a gain of 16%. For civilian aircraft alone, the use of jet fuels will grow by almost 50% in 1961. Although the volume of jet fuels sold in the United States does not compare with the volume of automotive gasolines, jet fuels are rapidly becoming a significant part of our activity despite the current highly competitive character of the business. To give you an idea of the quantities involved, commercial jets burn upwards of 2,000 gallons an hour. Compare this with the gasoline-powered DC-7 which burns about 450 gallons an hour.

Heating Oil

When we come to forecasting the demand for heating oils, we in the oil industry are confronted with the same difficulty every year — the weather. As you can imagine, unseasonable weather can have a very serious effect on our business. Last winter, for instance, the unusually mild weather in the early part of 1960 caused one of the worst heating-oil seasons in years from the standpoint of prices. From about mid-February to mid-March, heating oil prices in the Gulf Coast area dropped to a point roughly equivalent to the price of the crude oil itself delivered to the refineries in that area. The severe cold snap in the second half of March improved the overloaded inventory situation, but came too late to restore prices to reasonable levels. This cold weather inflated the volumes of heating oils sold in some parts of the country, and thus helped to register an increase in growth over 1959.

With normal weather assumed for 1961—the weather is one limb I refuse to climb out on—we can expect a slower rate of growth, since we are using 1960's large volumes as the base for measuring the predicted increase in demand. The brightest outlook for growth in sales of heating oils in 1961 is in the eastern part of the country, where more nearly normal weather prevailed in 1960 and where prices make fuel oil more competitive with natural gas. In other parts of the country, growth will be slowed—but not stalled—in the heating-oil markets by competition from natural gas.

Diesel Oil

Diesel oil demand in 1961 is expected to be about 1.6% over the sizable gains being made this year. We base this forecast on the continuing high level of industrial activity, on the growing use of diesel oil by trucks and buses, by water transport, and by some increased usage by railroads. We expect a 1.3% increase next year for residual fuel oil, which, as you know, is used largely by big industries — the utility companies, the steel companies, and so on— as well as for heating large buildings.

The Market for automotive and industrial lubricating oils is expected to edge up only about 1% in 1961 over 1960. Strangely enough, this very modest increase reflects the fact that oil men are actually being penalized by their own ingenuity. As the efficiency of petroleum lubricants and the machines that use them goes up, the quantity required by our satisfied customers goes down.

More Competition and Improved Inventory Position

As I have already indicated, competition within the oil industry will continue to be intense in virtually all the important domestic markets. Nevertheless, a more favorable inventory position may result in some improvement in product prices next year.

Quite apart from these various influences on the supply-demand-price picture, there is another factor that can affect the sales outlook—high taxes on gasoline. As never before, the American motorist is being forced to bear a disproportionate share of the total tax burden. In some parts of the country, the state and Federal taxes on gasoline amount to as much as 50% of the retail price. Last year the Federal gasoline tax was "temporarily" increased from three cents to four cents a gallon in order to make up a deficit in the new interstate highway program. At the time, many lawmakers in the Senate and the House pointed out that the Federal Government also collects from motorists some $3,600,000,000 a year in the form of special taxes on vehicles, tires, parts, accessories, and lubricating oil. Of these tax receipts, more than $1,500,000,000 is diverted into the U. S. Treasury's general fund, and not spent on highways at all. If this amount were earmarked for the highway program, there would have been no need for the current one-cent increase in the Federal gasoline tax. We can only hope that the new Congress will honor two important provisions of this gasoline tax law. One is that the one-cent increase should expire in June, 1961. The other is that, after the expiration date, certain portions of the Federal automotive taxes not now being used for highways should be earmarked for the highway fund.

I believe there is a serious question whether a basic commodity can be taxed five times higher than such luxuries as perfume and mink without itself becoming a luxury.

In conclusion, I might say that despite these problems, there is still money to be made in the oil business. And efficient companies are going to make it—in 1961 and thereafter.

*An address by Mr. Bellman before the Annual Marketing Meeting of the National Industrial Conference Board.

Miss. Valley IBA Elects Officers

ST. LOUIS, Mo.—The Mississippi Valley Group of the Investment Bankers Association of America has elected Louis A. Lanford, Hill,

John W. Bunn Louis A. Lanford

Crawford & Lanford, Incorporated, Little Rock, Ark., Chairman. John W. Bunn, Stifel, Nicolaus & Co., Incorporated, St. Louis, has been elected Vice-Chairman, and Alfred E. Gummersbach, Dempsey-Tegeler & Co., St. Louis, was named Secretary-Treasurer.

Members of the Executive Committee, in addition to the officers are: Clarence F. Blewer, Blewer, Glynn & Co.; Edward J. Costigan, Edward D. Jones & Co.; Benjamin F. Edwards, A. G. Edwards & Sons; Edward E. Haverstick, Jr., Smith, Moore & Co.; Harry W. Newhard, Newhard, Cook & Co.; Jerome F. Tegeler, Dempsey-Tegeler & Co.; James E. Womeldorff, Womeldorff & Lindsey, Little Rock; Elvin K. Popper, I. M. Simon & Co.

Cleveland Analysts to Hear

CLEVELAND, Ohio — The Cleveland Society of Security Analysts will hold a luncheon meeting on Nov. 2 at the Mid-Day Club. Milton Stone, A. D. Little, Inc. will address the group on the information handling industry.

Houston—Hub of Surging Gulf Southwest Economy

By Marvin K. Collie, *President, The National Bank of Commerce, Houston, Texas*

The rapidity of the industrialization pace of the Texan economy, with Houston as the hub, testifies to this area's locational advantages for semi and finished manufacturing and distribution. Mr. Collie points out that the chemical industry along 200 miles of the Texas Gulf Coast is crowding the giant oil refining industry in investment-size; describes the expansion in steel, aluminum, magnesium and paper-making; and analyzes the region's buying power, water-air-rail-truck facilities, population growth, banking, insurance and other services to show why the market for consumer goods producers is growing. Heretofore known for its oil, gas, cotton, cattle and chemicals, Texas is moving fast toward acquiring an equal reputation for diversified, end-use manufacturing and distribution.

More often than not, a transition of unusual dimension is often recognized fully only after its completion. However, in Houston, we believe we have seats for an economic saga that is barely out of the first act.

Marvin K. Collie

The transition is that the traditional Texas economy is shifting from a resource-exporting, finished goods-importing region into a prime American manufacturing market. The economic history of Texas has shown a single dominant force in each successive period of its expansion. Beginning with land, the economy has been based in turn on cotton, cattle, oil, gas and chemicals. Each of these forces has remained important, and each now contributes to the total economy of the state. However, the dominant force in the new revolution now underway is not a natural resource; it is diversified, end-use manufacturing and distribution.

There are some general conclusions that must be considered before the transition is discussed in detail.

Area in General

The City of Houston now ranks sixth nationally with a population of 932,680. Metropolitan Houston (Harris County) has 1,234,864 residents and was described in a recent Congressional subcommittee report as the fastest growing metropolitan area in the United States.

Houston leads the South and Southwest in people, retail sales, industrial buying power, value added by manufacture, manufacturing payrolls, and in port tonnage. The Port of Houston ranked second only to New York in port tonnage during 1959.

While Houston's spectacular growth between 1940 and 1960 can be attributed primarily to continued expansion of its oil, gas, and related industries, coupled with a fantastic rate of growth in the petrochemical and related industries, the Houston Gulf Coast is in fact an industrial frontier of almost unbelievably complex and interrelated science, technology, and capital investments. A system of pipelines consisting of thousands of miles of interconnections and interchanges welds the Houston Gulf Coast and the entire Gulf Southwest into an economic unit of incredible size and potential.

Oil, natural gas, sulphur, salt, lime and fresh water exist in the Houston Gulf Coast area on a scale unequalled by any other geographical region of equal size in the world. Combinations of these economic resources with men, machines, money, and initiative have vaulted Houston into position as the 14th largest industrial market in the United States.

Texas holds about half the proved crude oil reserves in the U. S. and accounts for nearly half the domestic crude oil production. Texas oil, along with crude oil moved in pipelines from the three neighboring states, funnels into the Houston Gulf Coast area on its way to markets of the nation and of the world.

One-fourth of the major natural gas pipeline companies of the U. S. are found in Houston. Ten companies are headquartered here; four companies have major operating divisions or offices here.

Nearly two-thirds of all U. S. production of sulphur comes from the ground within a 75-mile radius of Houston.

Two Trinity River dams for which permits have been issued will provide Houston's reasonably expected needs for industrial water for the next 50 years. In addition, immediate construction of a dam and reservoir on the San Jacinto River near Houston will supply Houston's future requirements of municipal water.

The Houston Gulf Coast area accounts for nearly 25% of the Nation's oil refinery capacity with 30 refineries. Nearly 100 chemical plants produce 290 organic and 80 inorganic chemicals from basic raw materials available in the Houston area. Half the nation's synthetic rubber capacity and more than half of U. S. polyethylene capacity is located along the Houston Gulf Coast.

Houston ranks among the leading metropolitan areas of the nation in the following industry groups: food and kindred products, apparel and related products, lumber and wood products, furniture and fixtures, paper and allied products, printing and publishing, chemicals and allied products, petroleum products, rubber, stone, clay, and glass products, primary and fabricated metals, machinery (except electrical), instruments and related products.

Among the two largest metropolitan areas in the Southwest, Houston ranks first in 11 of the 14 product groups listed above in that area.

The Port of Houston is connected to the shipping lanes of the nation and the world by a 50-mile-long, 36-feet-deep Ship Channel and by the Intracoastal Canal. Over 60,000,000 tons of cargo was moved through the Port in 1959. Six major railway lines, nine major airlines, and 33 common-carrier truck lines are also part of Houston's balanced transportation networks for national and intercontinental movement of people and goods.

The Transition Begins

The transitional development actually began in the Fifties, and so quickly that some Texans themselves are unable even now to realize its full scope and potential.

A significant part of this industrial activity is, of course, devoted to first- and intermediate-state processing of those natural resources mentioned earlier. It is on the strong base of this industry that the new force, diversified manufacturing, is being added.

Chemicals, petroleum products, food, machinery, and transportation equipment, in that order, now account for 70% of the value added by manufacture, 60% of production payrolls, and 40% of the manufacturing plants in the state.

The chemical industry, spread along more than 200 miles of the Texas Gulf Coast, is crowding oil refining in the size of its investment. The Petrochemical Industry in the Houston Gulf Coast has been born and has become a giant in less than 20 years.

Additional heavy investments have been made in primary metals industries. Steel, aluminum, and magnesium are produced in Texas. Lumbering and paper making are an important part of the industrial scene. These industries will continue their expansion. In addition, Houston has been chosen by increasing numbers of national companies as the location for regional headquarters or home offices.

This growing list results from Houston's unique advantages: An attractive tax picture, deep water and intracoastal shipping, expanding markets, a wealth of natural resources, and a skilled labor market.

Texas Economy Matures

Domestic operations for many major oil companies, and large regional offices for many others, are now in Houston. The advantages which brought them are equally important to a wide range of businesses, including insurance, publishing and printing, metal-working, and chemicals. With the establishment of these headquarters, the economy of Texas is reaching a new level of maturity. To the natural resources and consumer goods manufacture, operational authority has been added.

Many of the facts outlined in this article are graphically set forth in a brochure just published by The National Bank of Commerce of Houston which emphasizes, among other things, population density and shifts in population as pertaining to the Houston area.

Those industrial achievements of the last 20 years centering around first- and intermediate-stage processing were responsible for a tremendous influx of people. Studies in population by market areas clearly show the trend of population increase centering in the Texas Gulf Coast area and, of course, overlapping into nearby Louisiana Coastal areas. (See population chart)

Within a 200-mile radius of Houston the total population is 5,217,521 which represents 48% of the total Texas population and 19% of the Louisiana population.

Within a 300-mile radius there are 9,921,729 people. This is 80% of the Texas population, 67% of the Louisiana population, 7% of the Arkansas population and 4% of the Mississippi population.

Within a 500-mile radius of Houston the population mushrooms to 19,036,660. This figure represents 92% of the Texas population, 100% of the Louisiana population, 96% of the Oklahoma population, 94% of the Arkansas population, 92% of the Mississippi population, 16% of the Tennessee population, 14% of the Alabama population, 3% of the Florida population, *and 11% of the United States population.*

Buying power is another important index which points up the logic in the establishment of consumer goods manufacturing facilities in the Houston area.

Buying power for the Houston market area mushroomed from $1,543,337,000 in 1948 to a whopping $2,785,177,000 in 1959, an increase of 80.4%.

Retail trade figures are equally impressive. The 1948 total was $1,067,389,000 but the figure for 1958 jumped to $1,937,790,000, an increase of 81.5%.

Houston ranks first in value

TWENTY LARGEST CITIES OF THE UNITED STATES

Rank	City	1960* Population	Actual Change '50-'60	% Change '50-'60
1	New York	7,710,346	—181,611	— 2.3
2	Chicago	3,492,945	—128,017	— 3.5
3	Los Angeles	2,448,018	477,660	24.2
4	Philadelphia	1,959,966	—116,639	— 5.4
5	Detroit	1,672,574	—176,994	— 9.6
6	Houston	932,680	336,517	56.4
7	Baltimore	921,363	— 28,345	— 3.0
8	Cleveland	869,867	— 44,941	— 4.9
9	Washington	746,958	— 55,220	— 6.9
10	Saint Louis	740,424	—116,372	—13.6
11	Milwaukee	734,788	97,396	15.3
12	San Francisco	715,609	— 59,748	— 7.7
13	Boston	677,626	—123,818	—15.4
14	Dallas	672,117	236,655	54.5
15	New Orleans	620,979	50,534	8.9
16	Pittsburgh	600,684	— 76,122	—11.2
17	San Antonio	584,471	176,029	43.1
18	Seattle	550,525	82,934	17.7
19	San Diego	547,294	212,907	63.7
20	Buffalo	528,387	— 51,745	— 8.9

* Preliminary estimates from the 1960 Census of Population.
Source: Bureau of the Census, U. S. Department of Commerce.

THE TOP FIFTEEN INDUSTRIAL MARKETS IN THE UNITED STATES

(Rated by percentage of U. S. total of Value Added by Manufacture, 1958)

Rank		Value Added ($ Millions)	% of U. S. Total
1	Chicago	$9,452.2	6.75
2	New York	9,351.2	6.67
3	Los Angeles	6,987.8	4.99
4	Newark	5,942.1	4.24
5	Philadelphia	4,845.3	3.46
6	Detroit	4,277.9	3.05
7	San Francisco	3,131.6	2.24
8	Boston	3,059.4	2.18
9	Pittsburgh	2,736.6	1.95
10	Cleveland	2,706.8	1.93
11	St. Louis	2,328.0	1.66
12	Milwaukee	2,158.6	1.54
13	Baltimore	1,932.7	1.38
14	Houston	1,838.5	1.31
15	Cincinnati	1,821.5	1.30

Source: U. S. Department of Commerce, Bureau of Census.

INDEX OF HOUSTON BUSINESS ACTIVITY

(1947 - 1949 = 100))

	INDEXES OF INDUSTRIAL ACTIVITY:			INDEXES OF TRADE:	
Year	Non-Residential Consumption of Electric Current in Harris County*	Non-Residential Consumption of Natural Gas in Harris County**	Total Port and Railroad Freight Tonnage Rec'd. and Fwd. from Houston†	Bank Debits to Individual Accounts in Houston‡	Department Store Sales in Houston§
1947	89	88	93	85	89
1948	103	103	109	109	109
1949	109	108	98	107	102
1950	125	125	108	123	113
1951	146	149	115	146	127
1952	177	156	116	163	139
1953	221	164	111	171	144
1954	245	176	105	178	143
1955	270	192	111	194	153
1956	315	204	126	219	159
1957	347	215	134	224	160
1958	351	217	125	218	152
1959	394	219	138	239	169

Sources: * Houston Lighting and Power Company.
** All natural gas companies in the Houston area.
† All railroads entering Houston.
‡ Houston Clearing House Association.
§ Federal Reserve Bank of Dallas.
Indexes prepared by Research Department, Houston Chamber of Commerce.

added by manufacturing. The 1958 figure was $1,167,200,000.

The Transportation System

The key influencing factors that mark Houston as a prime location for consumer goods manufacturing and/or consumer distributing are water, rail, truck and air transportation.

The Houston Ship Channel — one of the many things "that couldn't be done"—is 50 miles long, 300 feet wide and 36 feet deep. It connects Houston with the sea lanes of the world, and equally important, connects the Houston area directly to inland waterborne commerce. Shipments by water can be made directly from such distant points as Pittsburgh, Chicago, St. Paul and Sioux City. "Sea Train" service between Texas City, Texas, and Edgewater, New Jersey, and "Fishy Back" service between Houston and Newark, New Jersey, provide six-day water transportation of loaded railroad cars and specially designed truck trailer.

Six railway systems serving Houston own or control 18 lines extending from Houston in all directions. These systems are: Southern Pacific, Missouri Pacific, Santa Fe, Missouri-Kansas-Texas, Burlington, and Rock Island. Houston is served by 30 passenger and 50 freight trains a day. "Piggy-back" rail-truck service also is available.

Ten scheduled air lines serve Houston with direct flights to all parts of the U. S., Europe and Latin America. These are: American, Braniff, Continental, Delta, Eastern, KLM, Lone Star, National, Pan American, and Trans-Texas. These carriers moved nearly 1,500,000 passengers through Houston International Airport in 1959. Air-freight service is a significant part of the Houston air operation.

Houston Banking

It is impossible to ignore certain Houston banking growth facts when the subject of transition is discussed.

For example, bank debits to individual accounts in 1940 totaled $2,994,712,238, rose to $14,318,393,603 in 1950 and then skyrocketed to $27,740,663,319 in 1959. Percentage-wise, the increase between 1940 and 1959 was a fantastic 826.3.

Bank deposits increased from $348,527,187 in 1940 to $1,332,984,000 in 1950, then almost doubled by 1959.

Of course, bank statistics always indicate in some measure buying income. Estimated effective buying income for Houston in 1959 was $2,301,965,000. The increase over 1940 was 215%.

In the past decade, Houston has seen a tremendous spurt in the addition of banking facilities. Here at The National Bank of Commerce, for example, we recently completed an extensive expansion program that added 60% more banking area and jumped floor space well over 100,000 sq. feet. We did this to better service existing business and with an eye to additional rapid growth that most certainly will come for Houston and the Gulf Southwest.

After all, service—whether it be for the individual depositor or the large corporate account—is the foundation for any bank.

I would be amiss in my reportorial duties if mention of Houston's changing skyline—as an example of tremendous growth — was omitted.

The downtown building boom currently is much bigger than the boom after World War II. The current cycle of construction is expected to push building permit values in 1960 above the $300,000,000 mark.

Thirty multi-story structures, ranging in size from two to 44 stories and costing approximately $205,000,000 have been recently completed or are now underway.

More than 5,000,000 square feet of office space are being added to Houston's skyline—about 50% of the office space existing in early 1960.

This, then, is Houston—a prime industrial market for years, and now a prime center for end-use manufacturing and distributing.

Paribas Corp. Formed in N. Y. C.

The Banque de Paris et des Pays-Bas has announced the establishment of the Paribas Corporation to engage in the investment banking business in the United States. Robert H. Craft, presently Vice-Chairman of the Chase International Investment Corporation, will be the President of the new company whose offices are at 40 Wall Street, New York City.

Robert H. Craft

The Banque de Paris et des Pays-Bas, founded in Paris in 1872, is the largest "banque d'affaires" or investment banking firm in France and is regarded as one of the principal investment banking firms in Europe. It plays a major role in the financing of European and international businesses, and also manages large investment funds and investment companies.

The Chairman of the Board of Directors is Emmanuel Monick, former Governor of the Bank of France; Henri Deroy, former Governor of the Credit Foncier of France is Vice-Chairman. The President of the Banque de Paris et des Pays-Bas, and also a director, is Jean Reyre who, with Messrs. Henry Deroy, Bernard de Margerie and Christian Cardin of the Paris headquarters will be among the directors of the Paribas Corporation. Mr. Cardin, in addition, has been elected a Vice-President of Paribas.

Mr. Craft, the President of the new American investment banking firm has served since 1956 as President and Vice-Chairman of the Chase International Investment Corporation. Before that he had been Executive Vice-President and director of American Securities Corporation and Vice-President and Treasurer of Guaranty Trust Company. He was President of the Investment Bankers Association of America in 1957.

Mr. Reyre has stated that, as part of his Bank's growing interest in international business, the Banque de Paris et des Pays-Bas in Paris has entered into a working agreement with Lehman Brothers, New York investment bankers, in respect to certain international business which will be reviewed and pursued on a joint basis.

Newborg & Co. Celebrates 60 Yrs.

The investment firm of Newborg & Co., member of the New York Stock Exchange, with headquarters at 25 Broad Street, New York, is celebrating this month its 60th anniversary as a member of the Exchange.

The firm also maintains offices in Garden City, Long Beach and Rockville Centre, in Nassau Co., Long Island.

H. L. Everett Opens

LAFAYETTE, Ind. — Hubert L. Everett is conducting a securities business from offices at 614 Central Avenue under the firm name of Everett Investment Co.

Gold Price Rise Keyed to The Presidential Election

By Paul Einzig

Our election is held primarily responsible for the gold appreciation flurry by Dr. Einzig who again attributes part of the buying pressure on gold to unregulated private individual American buying abroad. The British financial observer recommends a strong disavowal on the part of Senator Kennedy of any intent not to resist devaluation and for the future, since it is too late now, an extension of the ban on private holding of gold by Americans domestically to their holdings abroad.

LONDON, Eng.—The rise in the London price of gold became accentuated since the middle of October. Its premium in relation to the official American selling price, allowing for expenses, has widened considerably, notwithstanding evidence of some official selling in an attempt to keep it down. Simultanously sterling displayed once more an unseasonal firmness. The appreciation of gold stirred up considerable interest, especially as it is now widely expected to be the beginning of a much more substantial movement.

The most popular explanation of this gold boom put forward from many quarters is that it is a belated consequence of measures taken by the Swiss monetary authorities in August to discourage the influx of "hot money." Not only are Swiss banks prevented from allowing interest on foreign balances but they actually charge a "negative interest" in the form of commission. In the circumstances many of their clients prefer to buy and hold gold rather then hold unremunerative balances. Although there are no similar measures in operation in Britain the London market is naturally affected by the increased demand for gold in Zurich.

This explanation would be wholly convincing were it not for the fact that there is a time lag of nearly two months between the adoption of restrictive measures in Switzerland and the sharp rise in the London price of gold. While the existence of such a time lag does not in itself invalidate the explanation, it calls for a supplementary explanation to account for the deferred effect of the Swiss measures.

Gold Rise Correlates With Our Election

It is surely more than coincidence that the rise in the London price of gold became accentuated with the approach of the Presidential Election and at a moment when the prospects of the Democratic condidate appeared to have improved. The opinion is widely held in London, and also in continental foreign exchange centers, that the advent of Senator Kennedy in the White House would be a strong bear point for the dollar. Even if he did not intend to devalue deliberately he is widely expected to pursue economic and monetary policies which would tend to accentuate the pressure on the dollar, and he is widely expected to be less firm in his determination to resist such pressure than a Republican President. For this reason between now and Election Day the dollar and the London price of gold are likely to fluctuate largely in accordance with the assessment of the chances of a Democratic victory.

The worst of it is that the psychological effect of a rise in the London price of gold is undoubtedly damaging for the dollar. If in order to avoid this the United States authorities were to embark on supporting the market on a large scale, the resulting accentuation of the gold outflow would produce just as bad a psychological effect as the rise in the price of gold.

There is reason to believe that the buying pressure on gold is to some extent at any rate, on American private account. I repeatedly pointed out in previous articles that in the interests of the defense of the dollar it would be advisable for the United States authorities to extend the existing ban on private acquisition of gold, so as to apply to American citizens not only in the United States but also abroad. It seems probable that under existing arrangements a large number of Americans will play for safety and will take advantage of their freedom to hold gold abroad for transferring funds to London or Zurich in order to buy gold. The time is now probably too short for doing anything about it, but the experience is well worth remembering for future reference.

Calls for Clear Disavowal

A much more effective way of preventing an accentuation of the rise in the price of gold would be an emphatic and unequivocal statement by Senator Kennedy, making it clear that he had every intention of resisting a devaluation of the dollar. To do so would be to his own interest for it seems reasonable to assume that evidence of a flight from the dollar in anticipation of his victory will not do any good to his electoral prospects. It is true, American holders of gold abroad have a vested interest in his victory. They represent, however, an infinitesimal percentage of the electorate. The overwhelming majority is more likely to adopt the same attitude as did the "floating voters" at the British General Election last year whose decision was influenced in favor of voting Conservative by fears that a Socialist victory would mean a depreciation of sterling.

Not since the "cross of gold" election campaign of Bryan in 1896 have financial circles in Europe taken such an interest in Election prospects in the United States from the point of view of their effects on the international monetary situation. Apart altogether from those directly concerned with foreign exchanges in one capacity or another, there is a general realization that the maintenance of the strength and stability of the dollar is a matter of immense importance for the Free World. A dollar crisis would be a disaster not only economically but also politically.

A. G. Edwards To Admit Phillips & Mullen

ST. LOUIS, Mo.—A. G. Edwards & Sons, 409 North Eighth Street, members of the New York and Midwest Stock Exchanges, on Nov. 3 will admit Jesse R. Phillips, Jr. of Houston, and Joseph Mullen of Little Rock to partnership.

Mr. Phillips is a Vice-President of J. R. Phillips Investment Company, Incorporated of Houston.

We Perpetuate Capitalism Only by Making It Work

By Hon. John F. Kennedy, U. S. Senator from Massachusetts and Democratic Candidate for President*

Senator Kennedy tells business: (1) there is no conflict between business and his party and that he does not believe in big government; (2) he opposes dollar devaluation; and (3) the Federal Reserve should cooperate as closely with the future Administration as it did with this one. Expressing concern about our growth rate, unemployment, business cycle, price stability, and balance of payments, the candidate prescribes a six-point remedial program. Thus, he would use monetary policy more flexibly and use other tools; balance the budget cyclically and use it for contra-cyclical stabilization; encourage plant modernization; expand educational opportunities; publicly develop more natural resources; and work with labor and management to develop wage and price policies consistent with stability. He charts a foreign aid and trade policy, and concludes we must have no less than the best policy "when capitalism is on trial."

I want to discuss American economic policy. No topic could be of more importance at this or any other time. Unless the economy is functioning properly, our people will not be employed at good wages, our businessmen will not produce efficiently and profitably, our farmers will not receive fair prices, and our nation will lack funds for defense, schools,

John F. Kennedy

roads and other public services, and the means to help strengthen the cause of world freedom.

Today, as never before, America needs a strong economy—not only to sustain our defenses—but also to demonstrate to other nations—particularly those wavering between our system and the Communists—that the way of freedom is the way to strength and security—that their future lies with us and not with the Soviet Union. That is the basic issue of 1960 — and that is why each candidate must make clear his views on economic policy.

I do not know whether to regard with alarm or indignation the common assumption of an inevitable conflict between the business community and the Democratic Party. This is one of the great political myths of our time. The business community has well served the Democratic Party—and I believe the Democratic Party has well served the business community. Ours is a national party. It draws its support from all segments of the community. Over the years it has benefited greatly by the public and political service, support, advice and assistance of American business leaders. As the Party's standard bearer today, I need—and I ask—the support and help of our businessmen, and I would do the same in a new Democratic Administration. It will not be a businessmen's Administration but neither will it be a labor Administration—or a farmers' Administration. It will be an Administration representing, and seeking to serve, all Americans.

Just as the Democratic Party has benefited from the contributions of business leaders, so has the business community benefited from the contributions of the Democratic Party. In the last century the Interstate Commerce Commission brought order and justice to transportation costs. In 1914 the Federal Reserve System founded our present banking and currency system. And in the 1930s a Democratic Administration cleansed the securities market, improved purchasing power among farmers and workers, and let the nation back from a great depression which had all but paralyzed commerce and industry.

I believe that these and other contributions of the Democratic Party have well served the business community as well as the American people. And I also believe that the business community—and our basic economic system—have well served the American people. They have provided a very large proportion of our people with a very high and constantly improving standard of living. They have provided the sinew and sustenance to make us the first nation of the world. They have nurtured individual opportunity and enlarged personal liberty, while constantly seeking to improve a basically strong and dynamic system. Progressive American businessmen have believed in good wages. Their restless search for change and improvement has been a main-spring of economic progress. They have constantly sought new products and new markets, new machines and new methods, new forms of organization and new financial arrangements. They have brought a wide array of modern goods within the income of most of our people.

Favors Our System's Fundamentals

In short, why should my Party, if successful, want to change the fundamental structure of a system which has performed so well? Where the performance is inadequate, we would hope to improve it. Where there are economic injustices, we would hope to correct them. But this would be basically true regardless of who wins. No President—Democratic or Republican — will be satisfied with growing unemployment, lagging economic growth or excessive price inflation that adversely affects our trade with other nations as well as our stability here at home.

And both candidates are also equally opposed to excessive, unjustified or unnecessary government intervention in the economy—to needlessly unbalanced budgets and centralized government. I do not believe that Washington should do for the people what they can do for themselves through local and private effort. There is no magic attached to tax dollars that have been to Washington and back. No expert in the nation's capital knows as much about a community's local problems and how to meet them as its local businessmen and officials. Too much government is just as much a threat to our liberties as too little government. There are too many tasks already awaiting public attention without having the government undertake those that can better be done by private or local effort.

In short, big government is not an issue—not at a time when the party which last made it an issue has expanded the Federal payroll to an all-time high, operated at an $18 billion deficit, increased the debt limit five times, caused the highest peacetime deficit in our history, and spent two-thirds as much money as all previous administrations put together.

I do not believe in big government—but I do believe in effective government — in a government which meets its appropriate responsibilities, and meets them effectively. Economic policy can result from government inaction as well as government action. What you are entitled to hear from me is: Why is a change necessary—and what changes would I adopt?

II

Five Areas of Inadequacy

I start from the premise that the performance of the Republican Party has been inadequate in at least five areas of economic policy.

The first and most comprehensive failure in our performance has been in our rate of economic growth. From 1953 until the end of last year, our average annual increase in output — the real rate of growth — has been only 2.4% per year. The rate of increase in the Soviet Union, on the testimony of Mr. Allen Dulles, has been better than 7%.

It is easy to juggle these figures, or dismiss them as "growthmanship." It is easy to say that comparisons with the Soviet Union are not valid, because of the difference in base and method. But the fact remains that our growth rate is too low—that it was higher in the years 1947 to 1953 — and that it is below that not only of the Soviet Union but of the more mature industrialized economies of Western Europe and Japan.

Governor Rockefeller, before he began to graze contentedly in Mr. Nixon's pasture, argued that we should have a rate of growth of at least 5% per year. Paul Douglas, a notable economist before he became a notable Senator, has said that 4.5% is readily attainable. The difference between 2.5% and 4.5% over the next 15 years is a difference of $260 billion in GNP in 1975 — equal to more than half of our present Gross National Product. That should concern us all.

My second concern is unemployment. Between November 1957 and August 1960, the rate of jobless workers, seasonally adjusted, has been below 5% of the labor force in only three months out of 34. Last month it was 5.9%. Adding those who are on short-time, this means that the total of unemployment and under-employment is not less than 7% of the labor force. And in some areas—in Detroit, San Diego, in steel, coal and textile towns—the proportion is much higher.

This is not only a hardship to the families involved — it is a hardship to the nation—wasteful, unproductive, and contributing to the general slow-down that is today increasing small business liquidations, reducing big business earnings, and restricting the revenues available to Federal, state and local governments.

Third, I am concerned about the periodic recurrence of recessions. There have been two recessions since 1952, and, as the *Wall Street Journal* has warned, a third could now be underway. During a recession, as unemployment rises, profits decline, and farmers and small businessmen suffer especially, the growth of the Gross National Product slows to a halt, and public revenues shrink. In the fiscal year 1958-59, the Republican Administration incurred a budget deficit of $12.4 billion—a deficit larger than the total Federal expenditures in any peacetime year of the New Deal.

A free economy cannot have a perfectly regular rate of growth. But we cannot continue to view these sharp periodic setbacks with equanimity when we could ease their severity and slow their duration.

I am concerned with the steady upward drift in prices since World War II. Industrial prices have been stable only during weak spots — the 1953-54 and 1957-58 recessions and the recent months of downward drift. The Consumers' Price Index would have risen even more sharply if farm prices had not declined. During the decade of the 1950s industrial prices increased, on the average, nearly 30% — some increasing still more. Steel prices, for example, have been approximately doubling themselves every 10 years.

I believe that reasonable stability in the price level is a vital goal of economic policy. By pursuing this goal we keep faith with those who save; we protect those who live on fixed income; and we build world confidence in the soundness and integrity of the dollar. It is equally urgent that we do not achieve this kind of stability at the expense of any one group in our economy, such as the farmers—or at the price of recessions, unemployment and stagnation. I believe we can keep our prices stable while maintaining higher and more stable levels of production and employment.

Finally, there is proper concern about our balance of payments and the recent drain upon our gold. It is vital that we keep our exports well ahead of imports in order to cover our commitments abroad — our military forces around the world, our diplomatic obligations, our military aid, and our assistance to underdeveloped nations. This is essential to our national power — for a country with a weak balance of payments, like a man with a poor cash position, has little freedom of action.

Our foreign commitments must be kept flexible and efficient — adjusting to strategic change and reducing waste and mismanagement. But there is still no substitute—for the nation as well as the individual—for a good cash position; and the difference between our exports and imports today (although somewhat better than last year) is not great enough. We have not done enough with automation, modernization, and new opportunities abroad. And we have been pricing ourselves out of too many markets—partly from a capital plant less efficient than many of those rebuilt in postwar Europe—but also from inflationary tendencies which have pushed some prices, some wages, and some other costs up too far too fast. Large increases in the price of steel have played a particularly major role.

It is in these five areas of concern — economic growth, unemployment, the business cycle, price stability, and our balance of payments—that I think we can do better. And I believe that most businessmen share my concern—and share my belief that we can do better.

Prescribes Six-Point Program

What changes are needed? What policies would be successful?

First, a Democratic Administration would use monetary policies more flexibly than the Republicans. The Republicans adopted the seemingly simple and easy policy of tightening interest rates when demand was strong and prices were rising—a principle that requires allowing rates to fall when the economy needed stimulation. But the facts of the matter are that each successive peak and trough in the economy has ended with higher and higher interest rates—with the result that paradoxically high rates accompanied heavy unemployment, low production, and a slack economy. There was too much reliance upon the philosophy of a "low pressure" economy — a philosophy of soft business and soft labor markets.

For this policy has not worked. By periodically cutting back on investment, it has held back on a normal, healthy rate of growth. By staying tight too long, as it did in the fall of 1957, it has regularly helped to bring on recessions. And, by penalizing most those who must borrow from banks for investment or home building, it is weighted in favor of the larger corporations, which have access to the open market or which can invest from earnings.

A Democratic Administration would not rely upon lopsided monetary policy. It would maintain greater flexibility for investment, expansion and growth. It would not raise interest rates as an end in itself. Without rejecting monetary stringency as a potential method of curbing extravagant booms, we would make more use of other tools.

Secondly, and in this connection, we would use the budget as an instrument of economic stabilization. I believe that the budget should normally be balanced. The exception, apart from a threat to the national security, is serious unemployment. In boom times we should run a surplus and retire debt. When men and plant are unemployed in serious numbers, the opposite policies are in order. We must recognize the difficulty of balancing the budget when a recession is in swing. Nineteen fifty-eight, with its $12 billion deficit, is the most obvious example. But we should seek a balanced budget over the course of the business cycle with surpluses during good times more than off-setting the deficits which may be incurred during slumps.

In the long run this policy will be less costly. By curtailing consumption rather than investment in boom times, and by alleviating the impact of recessions, it will be more encouraging to investment and growth than Republican monetary policies.

I should emphasize in this regard the necessity for accurate forecasting and interpretation. So strong was the emphasis on inflation in the fall of 1957 by Secretary Humphrey and the Administration that the Federal Reserve Board decision to tighten credit at the beginning of the 1957 recession certainly intensified the later economic slump. By a more realistic appraisal of economic forces we can lessen the intensity of serious recessions.

I submit that this is not a radi-

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A National Economic Policy Based on Private Effort

By Hon. Richard M. Nixon,* *Vice-President of the United States and Republican Candidate for President*

Vice-President Nixon enunciates a 12-point program which: (1) vigorously defends the Federal Reserve's independence; (2) warns that cheap-money dogmatists can cause a gold crisis; (3) proposes a National Economic Council to advise the President; and (4) calls for personal and corporate tax revision and for lower but broader excise taxes. The candidate also advances a list of economic facts to belie the opposition's charge we are not making economic progress. In charting an agenda for greater economic progress, ranging from unleashing individual opportunities to solving urban renewal, depressed area and personal security problems, Mr. Nixon construes the government's role in all this as one of creating the "right policies . . . imaginatively and vigorously" so as to encourage maximum private action. Those advancing more government intervention, he points out, apparently believe "we can be governed into perpetual prosperity."

To meet the Communist threat to our way of life, we must be strong in national resolve. We must be strong, too, in the means to carry out our national will. Such means can be generated only by a healthy, vigorously growing, free economy. That kind of an economy will not only provide the resources to secure freedom in the world; it will do more. It will demonstrate that freedom works—to meet the national needs of our people and to provide the economic base for deepening our cultural and spiritual life.

Richard M. Nixon

We Americans have developed the most remarkable and productive economic system in the world. And that plain fact can not be obscured by the calculated campaign now under way to develop a national inferiority complex about our economy and other aspects of life in America.

Needless to say, we must be keenly alert to the economic challenge of the Soviets. It is a challenge no thoughtful American can disregard. Because the Soviets are in a much earlier stage of economic development, they are now showing faster growth rates than ours—though not as fast as Russian propaganda would like us to believe. Also, as a totalitarian state, Russia is in a better position to allocate more of its output to state purposes. As the Soviet economy increases in size, the rate of growth can be expected to diminish. We should also keep perspective and not forget this plain fact: the American economy is producing more than twice what the Soviet economy is producing. We face a serious challenge, but we are well ahead and we can stay well ahead if we are energetic, imaginative and wise.

We Are Not Standing Still

America is moving foward despite the repeated efforts of the opposition to persuade us that we are standing still. You will never learn from my opponent that almost 68 million Americans are at work in this $500 billion economy, earning more, consuming more, saving more, investing more and providing more support for such purposes as science, education and health than ever before in our history.

Consider the progress America has made under this Administration during the seven years 1952-1959 compared with the previous Administration for the seven years, 1945-1952:

The rate of growth in Gross National Product, measured in dollars of constant purchasing power, has almost doubled under this Administration.

The share of national income going to employees went up under this Administration, as against going down under the previous Administration.

Weekly industrial earnings, in constant dollars, have gone up five times as much in this Administration.

The consumer price level has gone up about one-fifth as much.

Expenditures for education have about doubled under this Administration.

Expenditures for scientific research and development have more than doubled.

Expenditures for support of health have sharply advanced.

This is a record of moving forward, of stepping up progress everywhere from what we found when we assumed responsibility for affairs in 1953. It is not a record, in language that means anything, of "standing still."

But we are not satisfied. We must and can do better. The challenges facing us abroad and at home require that we quicken our advance and utilize our resources more fully to that end.

We approach this task with an economic program that springs from faith in and concern for Americans as individuals. Its purpose is to release the greatest productive force in human affairs: the spirit of individual enterprise in 180 million Americans. It strives to provide equal opportunity for every American to better himself and to free his life more and more from the stunting effect of economic need. We seek to make it possible for every individual to be somebody and have something.

Favors Personal Security Measures

Going along with this faith in the individual is an abiding concern for his problems as a human being: the possible loss of a job and livelihood through no fault of one's own when the economy changes, the fear that the end of working years may mean poverty, anxiety that the loss of a breadwinner may mean destitution for the widow and children, cost of medical care in old age. These are some of the searing human concerns that our program aims to minimize through effective private and public measures. Such efforts toward personal security are right, not only from the humanitarian viewpoint; they are mandatory if our complex, modern society is to work well. They are essential to our purpose, which is simply this: Lift the ceiling over personal opportunity; strengthen the floor over the pit of personal disaster.

Public policy should seek to put right what is wrong in our America, but it should also seek to strengthen what is right. It should recognize the plain fact that Americans are proud and self-reliant. Methods that encourage their dependence on government are wrong, for increasing dependence by a people upon government is not a sign of strength—it is a sign of weakness. In this day of competition with the Communists, Americans must be sturdy and strong.

The Right Role of Government

In this vital task, government's role should be to carry out those functions which the private sector cannot do or cannot do as well. Government should try to make the enterprise system work better, not try to supplant it with central direction. The rule should be: as much freedom as possible, as little intervention as needed. The reason is plain: while the power of every other group in our society is secondary, the power of central government tends to be absolute and ultimate. That is why we insist on a clear showing of need for its extension.

Guided by such a philosophy, we can build the action programs that will bring about the mobilization of America's human and natural resources in order to speed our economic progress in the battle for peace and freedom in the world. I have proposed such programs in many fields and during the remainder of this campaign I shall discuss them further.

Widening Opportunities for All

(1) To mobilize all our human resources, we must make equality of opportunity a living reality for our Negro citizens and those of other minority groups. Tremendous untapped resources for the economy can be released by eliminating the barriers of racial discrimination that now deny these citizens full opportunity to develop and use their talents.

(2) To stimulate our national scientific effort in opening new vistas for economic activity, the next Congress, as I have already indicated in my paper on science, should authorize the National Science Foundation to take the leadership in sponsoring a major new effort of basic research. This program should be conducted through a group of basic research institutes established co-operatively with our universities. A sound program can aid the basic research man, who is one of our most precious national resources, in his efforts to achieve the breakthroughs upon which the rest of our science and technology depend.

(3) To find and develop talent in America and thus avoid the waste of a potentially superior scientist, engineer, teacher, minister or doctor, we need to intensify our efforts in education. We must widen opportunities for all, improve the quality of educational effort and enhance the status of our teachers. To that end I have proposed a national program in support of education emphasizing such elements as college scholarships, tax credits or deductions to cover tuition and other costs of higher education, aid in school construction to provide needed facilities and to help make local funds, thus freed, available for raising teachers' salaries—this to be accomplished without compromising local control of our schools.

(4) To stimulate the growth potential of our economy, we should reform our tax system to enhance personal incentives and speed the investment in new plants and equipment that makes jobs and spurs productivity. In this time of challenge to the American economy, taxes designed in an earlier time, and still in the law, to punish success are not only obsolete, they hobble the economy's advance. A tax system moving toward some revision in personal and corporate rates, reform in depreciation allowances, a broader base for excises at a rate well below those now in effect, and protection of State and municipal revenues—these and other changes would contribute substantially to a better environment for economic growth.

Team Development of Natural Resources

(5) To provide the base for rapid economic progress, we must develop to the full the water, land and power resources with which this nation is so abundantly blessed. It means a maximum national effort, in which government at all levels and private enterprise work closely together as a team. But one thing it does not mean and that is making of this challenging task a Federal monopoly.

(6) To supply the indispensable food and fiber needs of a growing economy we must rebuild our farm programs to make a national asset of the matchless ability of our farmers to produce and to do so in a way that fairly rewards our farm families in providing this abundance. We can have plenty-in-freedom. We reject the appalling alternative offered by the opposition—a comprehensive blueprint for planned scarcity that would require drastic cutbacks in farm marketing and production, unprecedented controls on the farmer and sharply higher food costs in the cities and towns.

(7) To permit our cities to serve as impulse-centers and not choke-points for economic growth, I believe we need a dynamic urban renewal program, motivated locally and assisted Federally. It should be based on a market area approach that contemplates a long-range land use and transportation plan. As a part of this effort, we need to foster expansion of residential renewal and new housing. We also need improved criteria for Federal assistance in the whole renewal program. The purpose of my over-all approach is to maximize private investment through prudent public action. As a result of the teamwork on the part of the Federal Government, private investment and State and local responsibility for area development and planning, we can meet the challenge of the sixties in city and suburb.

Depressed Areas

(8) To maximize our growth potential we must attack the stubborn problems of depressed areas through sensible, co-operative Federal-local effort. This can be done if the opposition will cease its pork barrel approach to this vital matter that has led to Presidential vetoes and concentrate instead on a bill that will help those areas that really need help.

(9) To keep the economy fit, efficient and competitive at home and abroad and, thus, capable of healthy growth we must attack featherbedding, in all its forms, wherever it appears. That includes bureaucratic waste and inefficiency that obstructs orderly and efficient government. It includes the make-work mentality still surviving in some quarters of labor. It includes pricing practices by business which are not fully geared to maximize volume. It includes inflationary wage settlements in labor-management negotiations that involve overpaying ourselves for the work we do.

The dynamic quality of our economy can be further enhanced by vigorous but fair-minded enforcement of the anti-trust laws. It can be improved by an imaginative, outward-looking policy in international trade, especially in this day of growing common marketism. Efficiency can be spurred by keeping the economy open and constantly renewed through programs to stimulate new and small business. Its productivity can be stepped up by full exploitation of the rapid technological developments being generated by the nation's astounding progress in research and development. In order to deal with the problems created by automation, especially their impact on the workers affected, special efforts are required. I do not believe an over-all, top-level meeting of union, industrial and government leaders, such as the opposition suggests, is the best approach. The problems posed by automation vary too much as between different industries to benefit by such general talkfests. I shall, instead, convene working

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William St. Fund Elects Teich

Barnett Teich has been elected Treasurer of The One William Street Fund, Inc., 1 William St.,

Barnett Teich

New York City, it was announced by Dorsey Richardson, Fund Pres.

Formerly with the auditing firm of Lybrand, Ross Bros. & Montgomery, Mr. Teich joined the Fund's staff at its inception in 1958.

Rejoins First California

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Frederick F. Gregory has rejoined the staff of First California Company Incorporated, 647 South Spring St. Mr. Gregory has recently been with Mitchum, Jones & Templeton.

G. H. Walker Opens Branch in Chicago

CHICAGO, Ill.—G. H. Walker & Co. has opened a branch office at 208 South La Salle Street under the management of Ralph H. Clark.

Now Blaha & Co.

LONG ISLAND CITY, N. Y.—The firm name of Walter R. Blaha & Company, Inc. has been changed to Blaha & Co., Inc. and the firm is now located at 29-28 Forty-first Avenue.

Now A. L. Greenberg Co.

DENVER, Colo.—The firm name of G. R. Harris & Co., 6115 East Colfax has been changed to A. L. Greenberg & Co. Arnold L. Greenberg is a principal of the firm.

Now Schmidt, Sharp, McCabe & Co., Inc.

DENVER, Colo.—The firm name of Schmidt, Sharp & Co., Inc., 818 Seventeen Street, has been changed to Schmidt, Sharp, McCabe & Co., Inc.

Phila. Secs. Assn. To Hear at Meeting

PHILADELPHIA, Pa. — William Gerstnecker, Treasurer of the Pennsylvania Railroad Company, will be guest speaker at a luncheon meeting of the Philadelphia Securities Association on Wednesday, Nov. 2, at the Warwick Hotel.

Henry McK. Ingersoll of Smith, Barney & Co., is in charge of arrangements.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

GLENS FALLS INSURANCE COMPANY (NEW YORK)

The two proposed merger announcements this month narrow further the group of insurance stocks heavily weighted toward insuring fire or property risks, those which have yet to develop an effective multiple line operation. Within the Corroon & Reynolds Group of property companies, stockholders of *American Equitable Assurance Company of New York* and *Merchants & Manufacturers Insurance Company* are scheduled to vote November 21, 1960 on a merger of the two companies with American Equitable, the surviving company. Merchants & Manufacturers' shareholders will receive a 72/100 share in the surviving company while American Equitable shareowners will receive 2.1 shares of stock for each share presently held.

Of greater investment significance is the proposed affiliation of *Glens Falls Insurance Company* and *Kansas City Fire & Marine Insurance Company*. The Glens Falls company seeks to acquire Kansas City Fire by offering one share for each of the 100,000 Kansas City shares, subject to acceptance by at least 80% of the latter's shareholders. The proposed acquisition will provide a broader expansion base for operations in the mid-Western states in particular. Of Kansas City's 1959 premiums written only some 5% were in casualty lines. Kansas City's admitted assets approximate $12 million and premiums written approximate $6.5 million.

From a stock investment viewpoint, the performance of Kansas City has been unexciting, especially its investment income record. Of considerable interest, however, is the likelihood of a dividend increase for Glens Falls stockholders; such an increase is long overdue and appears out of line with the progressive steps of management in recent years. An increase in the dividend rate appears all the more probable since Kansas City stockholders have received $1.25 a share in contrast with the $1.00 payout by Glens Falls.

Completed in 1956, Glens Falls became one of the first insurance groups in the nation to integrate its organization into one unit and the resulting economies are reflected in the favorable trend of the company's expense ratio. Attainment of a stronger competitive position has been aided by the broader "all lines" operations underway. The latest step, the acquisition of an interest in mutual funds and a variable annuity program, provides a combination for fostering the one-stop insurance and investment package for complete family security coverage.

Present Glens Falls affiliations include the wholly owned premium finance company, Glenway Corporation, and The National Life Assurance Company of Canada, which in turn holds a 30% stock interest in Mutual Funds Management Corp., manager of three Canadian mutual funds. Early in 1960 Glens Falls strengthened its ownership of National Life by bringing stock ownership to more than 60% of the outstanding stock.

Founded in 1850, Glens Falls is licensed in all states, Canada, The Netherlands, and Syria. This multiple-line underwriter also operates in other countries through the American Foreign Insurance Association and the Marine Office of America. Headquartered at Glens Falls, New York, regional departments are maintained at San Francisco, Chicago, and New York City, with some 75 field offices located throughout the major cities of the nation. Approximately 7,000 agents represent the company.

SELECTED STATISTICS—GROWTH AND UNDERWRITING CONTROL

Year—	—Net Premiums— *Written	*Earned	*Admitted Assets	‡Loss Ratio	§Expense Ratio	Profit Margin
1960†	$45.1	$43.9	$177.1	62.2%	38.7%	—0.9%
1959	87.9	86.0	176.4	61.7	38.9	—0.6
1958	81.9	81.1	165.0	61.0	40.1	—1.1
1957	80.7	78.8	150.6	63.1	40.8	—3.9
1956	76.4	74.0	151.6	62.2	40.9	—3.1
1955	72.1	71.1	146.9	57.6	40.8	+1.6

*In millions of dollars. †Six months, June 30, 1960. ‡Losses incurred to premiums earned. §Expenses incurred to premiums written.

Glens Falls, which operates under the agency system, is in its second century of operations and has long offered specialized and individualized services. Complete property and casualty coverages are provided; 1959 premiums written volume divided about equally between property and casualty lines. The major property lines are fire and auto physical damage, while auto bodily injury liability is the leading casualty line. Underwriting may return to a profitable basis this year, even though losses in automobile liability coverage remain a serious problem. Late in 1959 a new Preferred Driver Policy was introduced in several states on an experimental basis in order to compete more effectively with direct writers.

During 1960 expanded premium finance facilities have been made available through the Glenway Corp., a definite aid to agents. For the first half of 1960 the overall underwriting profit margin improved to —0.9%, from —4.6% for the first six months of 1959. For the same period premiums written increased 3.8% over a year ago. Consolidation of Kansas City Fire will bring company assets to the $190 million level and premium volume to around $100 million.

PER SHARE STATISTICS

Year—	Approx. Bid Price Range	Invest. Income	Earn.	Avg. P/E Ratio	Divid.	Approx. Book Value
1960*	39—32	$1.64	$1.27	----	$1.00	$----
1959	41—28	2.96	2.42	14.3	1.00	55.55
1958	36—26	2.67	2.01	15.4	1.00	53.77
1957	36—23	2.59	0.26	----	1.00	45.97
1956	37—33	2.49	1.29	27.1	1.00	47.75
1955	41—33	2.33	2.27	16.3	1.00	50.08
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1949	28—24	1.29	3.52	7.4	1.10	29.77

* Six months, June 30.

A conservative investment policy is followed with bond holdings exceeding 50% of total assets as against approximately 32% in stocks. Investment income was 17% higher than a year ago at midyear 1960. At the recent price of 33, a yield of 3.0% is obtained on the present $1.00 annual dividend. The company presently has 1.3 million shares outstanding.

The company's interest in National Life is now 60.3% and good progress is being made by this affiliate. At mid-1960, life insurance in force increased to $623 million. United States operations of National Life are being extended rapidly with the company licensed in 25 states and writing insurance in 12. The alliance of National Life of Canada and Mutual Funds Management Corp., Ltd. is of considerable interest as a pioneering step for combining insurance, mutual funds, and the recently introduced Mutual Variable Annuity Plan. The latter new retirement plan is based on shares held in Mutual Accumulating Fund, the largest of the three mutual funds operated with assets of some $23 million on Sept. 30, 1960.

What the 1960 Census Shows

By Roger W. Babson

Our population's rise since 1950 and, except for Los Angeles, the forceful growth of suburbia at the expense of cities is evaluated in terms of factors responsible for fundamental changes occurring. The spectre of suburbia debt, however, in time of a severe depression frightens Mr. Babson considerably.

The following rough analysis of the 1960 census figures is intensely interesting to me. The figures show that the total population of the United States, including Hawaii and Alaska, is now about 180 million. This is 30 million over 1950.

Large Cities Suffer

For the first time since the original Federal decennial census in 1790, all of our largest cities except one now show a decline. By "large cities," I mean those with 1,000,000 or more population forming the core of larger "metropolitan areas." Considering that the U. S. has been taking censuses for 170 years, this is an extraordinary event.

The above-mentioned "one exception" is Los Angeles, which shows a gain of over 20%. This is due to several reasons. Los Angeles found oil within its borders. It is also a center of the fruit industry, or at least it was until the inhabitants began to uproot trees in order to build subdivisions. Until the smog trouble developed, the Los Angeles climate was also superb.

Boston Among Worst Declines

Of all large cities in the U. S., Boston has suffered one of the greatest losses. My first job after graduating from M. I. T. was in Boston, which then had a population of 500,000. This increased to 750,000 in 1940 when the Boston Chamber of Commerce was forecasting a population of 1,000,000 for the city. Boston proper did reach 800,000 in 1950, but the number has since dwindled to 677,000.

Boston has lacked natural resources, with the possible exception of the fishing industry. Educational institutions and small factories have been its chief assets. Boston may still claim to be a great educational center, but it is rapidly losing its factories and mills. The New England shoe industry has moved to the Central West where hides are plentiful; the textile mills are moving to the South where they are nearer the cotton and sheep. However southern California and eastern Massachusetts ride at the head of the "electronics parade." Union wages and restrictions are a handicap but the quality of New England workmanship is very high.

The Rise of Suburbia

The most revealing statistics of the 1960 census concern the mighty force and growth of suburbia. Most people who have left the large cities have not moved to other states. Rather, they have moved primarily to new suburbs some 15 to 25 miles distant. This not only gives them better living conditions but provides an entirely new social life.

Major factors causing this change are automobiles, telephones and television. These factors, plus airplanes, have raised havoc with the railroads as well as the large cities. The railroads now employ only 800,000 workers compared with 1,200,000 in 1950. Trucks are carrying the less-than-carload freight, while supermarkets and shopping centers are distributing the merchandise. Use of natural gas has doubled, while coal has suffered tremendously. The number of miners working in some areas of West Virginia is now only half those in 1950.

The Boom in Housing

Since the census of 1950 the U. S. population has increased by 20%; housing by 70%. And almost half of the expenditure for total new construction is now going into housing — practically all in the suburbs, and built mostly on credit amounting to $100 billion or more.

The most unfortunate figure in this 1960 census is the amount being spent on borrowed money. These great mushrooming suburbs are built on borrowed money—not only the new houses but also their furnishings and the automobiles. I estimate that the suburbs have also borrowed, since the 1950 census, over $100 billion for roads, sidewalks, water, gas, etc. One dollar out of every eight of take-home pay is apparently obligated for appliances and other things useful but not necessary. What would happen to these suburbs in case of a severe depression makes me shudder.

With Herbert Young

Melvin Norman has been appointed Assistant to the President for Herbert Young & Co., Inc., securities underwriters and financial consultants of 15 William St., New York City. Prior to joining the company, Mr. Norman was associated with the Norma Hoffmann Bearings Corporation and the national accounting firm of Seidman and Seidman.

R. F. Bell Opens

(Special to THE FINANCIAL CHRONICLE)

MIAMI, BEACH, Fla.—Robert F. Bell is engaging in a securities business from offices at 5681 Pine Tree Drive. He was formerly an officer of Robert F. Bell & Co., Inc.

F. C. McCarthy Opens

(Special to THE FINANCIAL CHRONICLE)

FT. LAUDERDALE, Fla.—Fred C. McCarthy is conducting a securities business from offices at 3042 North Federal Highway.

THE MARKET . . . AND YOU

BY WALLACE STREETE

A string of down days for the stock market this week carried the industrial average to a new low since late in 1958 to make it definite that no floor has yet been reached to stem the decline.

The election uncertainties, a nearly-universal profit pinch despite high sales in the nation's leading corporations, and an international "gold rush" to acquire bullion in London, all contributed to the indecision that made the market an easy prey to selling.

The low level of steel operations — mills running at only a shade above half of capacity—was no new story but still helped put some weight on the market as well as the general economy.

What Support Level?

For the industrial average, the biggest guessing game was where it would finally find support after it already has dropped some 120 points from the historic peak posted early in January. The more optimistic of the market followers saw bottom within easy reach around the 540-550 area. Other less hopeful technicians weren't looking for support until the average neared the 525 area which three times back in 1956 and 1957 proved to be one of overhead resistance until the index broke through decisively in 1958.

There was also the hope that the market would repeat its performances in the recessions of the past decade when it turned down in advance of the slump in general business, and resumed its advance before the improvement in the overall economy was apparent. In 1957 the market led the business pickup by nearly half a year. And while there are many predictions around that the recession will continue into 1961, only a few are willing to venture that next year won't see the end of the lag.

The pattern of recessions in the last generation is a far different one from the old boom-bust one where prosperity waned for most industries at the same time. These days the various industries go through their cycles independently so that even when a stock average, or groups of stocks, are declining, the market analysts can find readily worthwhile investment opportunities in individual issues and other industrial classifications than those pacing the recession.

The oils, for instance, have been staging their own recession for years and, judging by the earnings reports, are making good strides toward clearing up their overproduction problems at the moment, while other industrial classifications are tilted downward

An Expanding Retailer

Interstate Department Stores, was considered a laggard operation without much glamor and, as happened in 1957-58, vulnerable to any recession since its stores were in highly industrialized areas where business setbacks are felt hardest. After that adversity, Interstate changed its ways and started an aggressive program of modernization, acquisition and expansion. It has been prominent in picking up discount store operations, starting last year with White Front, and was still at it last month when it picked up Topps Stores, another discount chain. The discount store operations are estimated to be 40% of its business currently, with 60% seen as next year's goal and even higher discount operations ahead after that.

The action of Interstate can be volatile since there are less than 369,000 shares outstanding. They are also a leverage item and could show sharp improvement if earnings pick up to the levels of some glowing estimates. The shares five years ago had a 32-40 range before the company's troubles came to a head, and the 33-47 range in which they held until a week ago is mostly a recovery to the pre-recession levels without yet discounting the company's improved outlook.

Gillette, far from worrying about any recession, is making big strides with its new razor blade that already has a fifth of the blade market although it is a very recent promotion. In fact, the company larded its regular dividend with an extra to boost its yield well into the 3% bracket. Its earnings were up 22% for the first half of the year and the chore for the analysts is to try to pinpoint how much the full year's earnings will run ahead of those reported for last year. The reported increase would seem to mean that Gillette has skipped the recession rather completely so far.

Apart from companies that are recession-resistant, there was much talk of preferred stocks as haven items until the common stocks show definite evidence that they have reached some sort of base. And that, normally, brings up convertible preferreds which have something of a floor on their yield basis, plus a chance of enhancement if the securities into which they are convertible make any sizable upward moves marketwise.

The yields available are lush, running well into the 5% bracket for such as Federal Pacific Electric, Bridgeport Brass, General Acceptance and Crucible Steel preferreds.

Good yields are also a feature for straight preferreds which were neglected when the common stocks were doing well. Yields of around 5% are available on such as Atlantic Refining preferred, Diamond National, Union Pacific and Consolidated Edison.

Oils Still Resting

The oils are another long-neglected section where there has still been no return to the widespread popularity they had for individuals and institutions in the immediate-post War II period. Lately the stress has been on merger candidates in the petroleum lineup, notably Wilcox Oil which admits there have been offers but refuses to divulge the identity of the would-be buyers.

The oil merger candidates are mostly the independents since some planned mergers, notably Texaco and Superior Oil, among the large, integrated companies were blocked by anti-trust objections of the government. Plymouth Oil, Honolulu Oil, Texas Pacific Coal & Oil and Barber Oil are among those considered amenable to some kind of union eventually.

A high return item in the tobaccos is Liggett & Myers which has been available with a return of 6%. The company has been showing a sales downtrend for a couple of years but, to some, seems to be turning the corner with king-size cigarettes making up the sales drop in the regular size ones.

A Rail Prize

Rails have been so well depressed, and so neglected, that they have little left to discount. The exception is Western Pacific which was prominent in posting new highs through some rather urgent selling waves this week, when it emerged that both Southern Pacific and Santa Fe were making counter bids to absorb it. Southern Pacific, with a bundle comprising some 10% of Western's shares, had already run into management objections to its proposal before it was indicated that Santa Fe had quietly acquired a bundle some two times larger than that held by S. P.

That made it the second contested merger plan in the rail field following what appears to be a stalemate in the rival bids of New York Central and Chesapeake & Ohio for the Baltimore & Ohic.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Roeder to Become Chase Exec. V.-P.

George A. Roeder, Jr., Senior Vice-President of The Chase Manhattan Bank, wil become Executive Vice-President and head of the bank's metropolitan department on Jan. 1, 1961. He will succeed Lawrence C. Marshall, who on that date becomes Vice-Chairman of the board of directors.

Mr. Roeder joined the bank in 1947. He was formerly in charge of the head office credit department and later served as a Vice-President in the United States department, the bank's national territorial organization. For the past year, he has been a branch group head in the metropolitan department.

With Woolrych, Currier

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Clarence W. Turner has become affiliated with Woolrych, Currier & Carlsen, Inc., 210 West Seventh Street. He was formerly with Hopkins, Harbach & Co., and Oscar F. Kraft & Co.

Sources and Cost of Money For Consumer Loan Industry

By Davis Weir, President, State Loan and Finance Corporation, Washington, D. C.*

Finance company head outlines various borrowing methods and sources available to larger size companies which face difficulties in obtaining funds from banks and insurance companies. Mr. Weir strongly advises finance companies not to sell commercial paper in excess of their unused bank lines and warns that the consumer finance industry cannot operate without banks. One new source of funds singled out, in view of the growth of savings and loan associations and credit unions, would be the sale of certificates of investment by the industry itself despite the problems this represents.

Before getting into the sources and costs of money for the larger consumer finance companies, let's consider where our industry stands today. The consumer finance industry is caught in a profit vise. We have a fixed income set by the laws of the various states in which we operate. We have found it practically impossible to increase the price charged for our services. Rather, if there has been any change, it has been to lower the price which we may charge. Yet, we are faced with continually rising costs. Salaries are higher, rents are higher, every item of overhead is increasing. The pressure gets greater and greater. If we are to earn a reasonable profit, it can only be done by expanding our volume of business and by raising the loan limit that we may lend to each individual. To do this will require the use of more borrowed funds.

I am confident the consumer finance industry can do this. First, our assets consist mainly of cash, marketable securities and notes receivable. We have very small investments in fixed assets. Therefore, our assets are very liquid, and we can safely carry a high debt ratio to net worth. Second, our industry has established an exceptional credit reputation. I know of no creditor that has ever lost on a loan to a consumer finance company, unless there was dishonesty on the part of the management. This record, of which we can be justly proud, helps us obtain the leverage in our debt ratios that we must have

How far can we carry this leverage? The accompanying table sets forth what I believe to be the standards in today's money market.

You can obtain preferred stock equal to 50% of your common stock and surplus. This is your total capital.

You can obtain junior subordinated debt equal to 50% of your total capital. This is your subordinated base.

You can obtain subordinated debt equal to 50% of your subordinated base. This is your senior borrowing base.

You can obtain senior debt 2½ to 3 times your senior borrowing base.

Thus, your dollar of equity capital on a three to one ratio can grow to $13.48 of available funds. On a 2½ to one ratio, it can grow to $11.78 of available funds.

Difficulties in Borrowing From Insurance Companies

Following World War II, banks were the industry's principal source of borrowed funds. However, as the demand for loans from all lines of business increased, and our demands for borrowed funds grew, we found it more difficult to supply these needs from banks. We turned to life insurance companies which were willing and ready to make long term senior and subordinated loans to consumer finance companies. In recent years, we find funds from this source becoming increasingly difficult to obtain because:

(1) The demand of all lines of business for long term debt for plant expansion and real estate development and building has been tremendous.

(2) The increase in interest rates over the past ten years has made the rates for senior obligations as high as they previously were for subordinated debt, thus decreasing if not drying up the life insurance companies' desire for subordinated debt.

(3) Many life insurance companies had invested as large a proportion of their assets in our industry as they felt was justified.

(4) The Federal Income Tax Law on life insurance companies passed in 1959, has caused them to reappraise their investment policies and to invest more in preferred stock and common stock, to obtain income through intercorporate dividends, rather than interest.

However, new sources of funds have developed to fill the gaps. These are: pension funds; mutual funds; trust funds; foundations; endowment funds; union funds.

Of course, banks and life insurance companies are still good sources of funds for our industry and I hope will continue as such for years to come.

Principal Sources From Which Consumer Finance Companies May Obtain Funds

Common stocks are sold to individual investors.

Preferred stocks. Today it is extremely difficult to sell a straight preferred stock, as there is little opportunity for such a security to increase in value. Buyers of both common and preferred stocks want opportunity for appreciation. Therefore, most preferred stocks are convertible preferred. These carry a high dividend rate, 6% or more, and give the holder the option to convert his securities into the common stock of the company. The principal sources to which convertible preferred stock may be sold are individual investors, pension funds, mutual funds, union funds, foundations, some trust and endowment funds. These sources of funds will buy convertible preferred stocks because of the high preferential dividend, and the conversion privileges.

Another form of preferred stock is sinking fund preferred. They provide for a sinking fund which will retire the issue over a period of years. These will be sold mainly to life insurance companies, casualty insurance companies, and some investment trusts. The appeal of these securities to life insurance company and the casualty insurance company is that income from them is subject to intercorporate dividend taxes instead of the higher income tax on interest.

Next is junior subordinated debentures. These debentures will carry higher interest rates than any other form of debt, as they are junior in the right of redemption to all other debt of the company. In today's market these debentures will have to be convertible into common stock of the company or carry warrants giving the holder the right to purchase a certain number of shares of common stock for a period of years at a fixed price. The principal sources from which such funds can be obtained are individual investors, pension funds, mutual funds, union funds, some trust funds, foundations and endowment funds. Such sources will purchase them because of the higher interest rate and the conversion privilege provides an opportunity for appreciation and capital gains.

Next comes subordinated debentures. What I have said about junior subordinated debentures applies to subordinated debentures. They will carry a high interest and in today's market will have to carry conversion rights. They can be sold to the same sources as junior subordinated debentures for the same reasons.

Senior debt makes up the largest part of a consumer finance company's borrowed funds.

There are two types of senior debt. Long term, usually issued for 15 to 20 years, and short term, 90-day to six month notes.

As to long term debt, I believe that under today's conditions, at least 60% of a consumer finance company's senior debt should be in long term debt. It carries a slightly higher interest rate than short term debt. However, there is no compensating balance, as is required by banks. There is no need for rotation as on bank lines. There is no danger that the credit will be withdrawn or reduced.

The principal sources from which long term senior debt can be obtained are pension funds, trust funds, foundations, endowment funds and life insurance companies.

How Much Commercial Paper?

Commercial paper is one source of short term senior debt. Until a few years ago, commercial paper was sold mainly to banks, particularly the country banks which have a seasonable loan demand. In recent years the loan demand in the country banks has increased to where they are no longer substantial buyers of commercial paper. Corporate treasurers have stepped into the gap and are today the largest buyers of commercial paper. Also, union funds, pension funds, university treasurers, in fact any fund or corporation that has money it does not need for a temporary period is a prospect for the sale of commercial paper. Banks are prohibited by law from paying interest on demand deposits, therefore as interest rates have increased, large depositors have found it to their advantage to buy short term governments and commercial paper. Commercial paper is issued for 30 days, 60 days, 90 days, 180 days, but not to exceed nine months. The seller of commercial paper must be prepared to pay these notes when they come due. Therefore, he must have unused bank lines to meet these obligations. For this reason, commercial paper is no substitute for bank lines. I do not believe consumer finance companies should sell commercial paper in excess of their unused bank lines. It does have a place in our industry, as the interest rate is lower, and a reasonable amount of commercial paper reduces the excess bank lines that must be carried for rotation.

Banks' Importance Stressed

As to bank lines. The consumer finance industry cannot operate without them. They are the source of funds that expands and contracts as our volume increases or decreases. They provide an umbrella over our commercial paper. The banks are our friend and helpful boosters when we are obtaining funds from other sources. We need the banks and the banks need us.

What about the costs of obtaining money? Money, to me, is a commodity the same as corn or wheat, and the cost of it is governed by the law of supply and demand. If the supply is limited and the demand is great, the cost goes up. I have never worried about interest costs, because I work on this basis: If we need the money, if we can put it to work, we have the choice of slowing down our business or paying the going rate, so we pay it. I won't attempt to predict where interest rates are going. I will just express the hope that the recent lowering of interest rates is a new trend and the end of the long period when interest costs have increased year after year.

There are costs in addition to the interest rate paid. Compensating balances on bank lines, commission paid for selling senior and subordinated debentures, commission paid dealers for placing commercial paper. Conversion rights when required to sell a debenture issue.

All these add to our costs of obtaining funds. They vary, depending on the size and record of the company, and the size and type of issue being sold.

Selling Certificates and Investments

Most of the changes in sources of funds, method of borrowing and the amounts consumer finance companies borrow have taken place since the end of World War II. The consumer finance business will continue to expand and it will require more money in the years ahead. These funds very likely will be obtained from different sources than those supplying us today. We have seen changes in the past and will see more in the future. We must be constantly alert for new sources of funds. We have witnessed the terrific growth of savings and loan associations and credit unions. Shouldn't we consider selling certificates of investment ourselves, so we can attract some of these funds to our industry? It would be a new source of funds for consumer finance companies. A very few consumer finance companies are already doing this. It presents many problems because of SEC regulations, Blue Sky and other laws. However, there were problems with many of the sources of funds we now use, but we solved them. So may I suggest this as a new source of funds that should be available to the consumer finance industry?

Borrowing Leverage Possible for Larger Consumer Finance Companies

Each dollar of common stock and surplus can be expanded as follows:

Common stock and surplus	$1.00
Preferred stock	.50
Total capital	$1.50
Junior subordinated debentures	.75
Subordinated base	$2.25
Subordinated debentures	1.12
Senior borrowing base	$3.37
Senior debt, three times senior, borrowing base	10.11
Total funds available	$13.48

If ratio of senior debt is 2.5 times senior borrowing base, total funds available would be $11.78.

*An address by Mr. Weir before the 46th Convention of the National Consumer Finance Association, Philadelphia, Pa., Oct. 6, 1960.

Guardian Inv. Corp.

WASHINGTON, D. C.—Guardian Investment Corporation is conducting a securities business from offices in the Mercury Building. Officers are Earl J. Lombard, President; Jesse J. Dipboye, Vice-President; and Robert K. Wright, Secretary.

B. O. Nixon Opens

SAN ANTONIO, Texas—Benjamin O. Nixon is conducting a securities business from offices at 439 Wayside under the firm name of Nixon's Mutual Funds.

Fisher V.-P. of Nat'l Quot. Bureau

The election of Charles F. Fisher as a Vice-President of the National Quotation Bureau, Inc., with headquarters in Chicago, has been announced by Louis E. Walker, President of the Bureau.

Charles F. Fisher

Mr. Fisher has been with the company since 1934 and manager of the Chicago office and the Midwestern territory for more than 15 years. He will continue all his former duties.

A. T. & T. Debs. Marketed Here

A new issue of $250,000,000 American Telephone & Telegraph Co., 32-year 4¾% debentures has been placed on the market on Oct. 26 by an underwriting group headed by Morgan Stanley & Co. and comprising 141 investment firms. The debentures, due Nov. 1, 1992, are priced at 101.656% and accrued interest to yield 4.65% to maturity. They were awarded to the group at a competitive sale on Oct. 25 on its bid of 101.0599% which named the 4¾% coupon.

The current Telephone issue is the largest corporate offering placed on the market so far this year. It also matches in size the largest issues ever sold at competitive bidding. The company has brought out within the last six years five issues of $250,000,000 each, sold at competitive bidding, the most recent having been an issue of 5⅜s due in 1986 sold by a Morgan Stanley group in November, 1959.

American Telephone will use the proceeds of this financing for advances to subsidiary and associated companies; for the purchase of stock offered for subscription by such companies and for extensions, additions and improvements to its own telephone plant. The company has 20 principal telephone subsidiaries.

The debentures will not be redeemable prior to Nov. 1, 1965. Beginning with that date the optional redemption price will be 104.656% to and including Oct. 31, 1966 and thereafter at prices decreasing to the principal amount after Nov. 1, 1987.

Capitalization of American Telephone and its principal telephone subsidiaries outstanding at June 30, 1960 consisted of $6,645,886,000 of funded debt and $12,757,810,000 capital stock and surplus.

Consolidated total operating revenues of the company and its principal telephone subsidiaries for the six months ended June 30, 1960 were $3,898,262,000 and total income before interest deductions was $738,751,000 compared with $3,628,506,000 and $675,357,000 for the like period of 1959. For the 1959 calendar year total operating revenues were $7,392,997,000 and total income $1,370,410,000.

Three With Shaine

FLINT, Mich.—Robert J. Cameron, George D. Sharpe and Lynn E. Webb have become associated with H. B. Shaine & Co., Inc. in their recently opened office in the Metropolitan Building.

Now Cacchione & Smith

The firm name of Mario R. Cacchione & Co., Inc., 42 Broadway, New York City, members of the American Stock Exchange, has been changed to Cacchione & Smith Incorporated.

Investment Companies Can Meet Any New Challenge

By Dorsey Richardson,* *President, The One William Street Fund, Inc., and Former President of the National Association of Investment Companies*

One of the founders of the National Association of Investment Companies envisions much greater growth ahead for the industry going hand-in-hand with much closer public scrutiny. He remindfully points out that the NAIC is purely a voluntary association without any policing powers and, though intensely interested in the quality of the salespeople, has no authority over the distribution phase of the business. The Association, Mr. Richardson adds, cooperates to the fullest extent possible with the NASD and the NYSE and will always do whatever it can to increase the public's confidence in its integrity as an institution with a fiduciary character.

Permit me to emphasize my confidence in the destiny of the investment company industry, as an integral and essential factor in the American financial structure. If I am in any way qualified to express this opinion, it is presumably because of my acquaintance and identification with one or another aspect of this industry since the fateful year of 1929. it is almost impossible to realize that we are such a young industry that, in our terms, 1929 was in the Middle Ages — or, if you prefer, the Dark Ages.

Dorsey Richardson

At the end of that year, there were a few relatively new companies based on the novel principle of continuous sale and redemption. These companies were interesting phenomena, but I am sure that they never thought of themselves as constituting an industry. Nor did the spate of so-called "investment trusts," the closed-end companies, which had appeared on the financial scene in the late 1920's.

So, as industries go, ours was an infant, and, it is historically true that our industry, such as it then was, promptly was afflicted with almost every growing pain and major disease of infancy, in 1929 and during the Great Depression. That we survived demonstrated that we were blessed with a rugged constitution.

Not to labor the analogy—we passed our crisis in 1940—just one generation ago. Our really healthy adult life began in that year.

In Retrospect

For a moment, let me recall the situation at that time. For four years, 1936 to 1940, the SEC, under Congressional mandate, had conducted an investigation of our business. As a result, there was introduced in Congress a Bill which many of us believed would have crippled or even destroyed our industry. In protracted hearings before a Senate Committee, we fought for our lives and finally won the right to continue to live. Our Certificate of Good Health was the Investment Company Act of 1940.

It is surprising to recall that this Act—under which we have lived and prospered—was not in effect 20 years ago today. (It became effective Nov. 1, 1940.) Just 20 years ago groups from the industry and from the SEC staff were still working cooperatively and rather frantically to complete the Rules and Regulations that were needed to implement the Act. There was no National Association of Investment Companies. The industry was represented by two informal *ad hoc* committees — of the open and closed-end companies. These groups, at first somewhat strange and unfamiliar to each other, eventually came together, following a suggestion from the SEC, and formed the present Association.

The industry—as represented by the Association's membership at that time—had barely a billion dollars in assets — about equally divided between the open- and closed-end companies. We all know what has happened since that time. The industry has mushroomed.

Greater Growth Ahead

The statistics of this mushroom growth are impressive, and have already made our industry a very important part of the financial world. But ours is not yet an institution of enormous size. Our 17.5 billion assets are relatively insignificant in comparison with the 113.6 billion held by the insurance companies, and are less than half the assets of the savings banks.

Nevertheless, unless something happens to disillusion the public with investment companies, there seems to be no question that we are on our way to much greater size, much greater service to the public, and on the other side of the coin — much closer public scrutiny.

This remarkable public acceptance of our industry did not just happen. It has been the result of long and hard work by many able and imaginative people, who have devoted their lives to what they knew to be a worthwhile effort. These men enjoy the distinction—rare in our present society—of being truly pioneers in the establishment and development of a major and dynamic industry. If they have not yet been accorded the recognition that has been given to Thomas A. Edison and Alexander Graham Bell — that may be just around the corner.

No Policing Powers

For some who may not be fully familiar with the National Association of Investment Companies, I should like to emphasize that it is an association composed exclusively of investment companies as such. It is a purely voluntary association and has no policing powers of any kind. While, as company officers and as individuals, all of us are, of course, intensely interested in the character and activities of the people who sell our shares, this association's authority simply does not extend to the distribution phase of the investment company industry.

Nevertheless, the Association, within its strictly limited scope, has always co-operated with the N. A. S. D. in the carrying out of the latter's quasi-governmental functions, and with private institutions such as the New York Stock Exchange, in their constructive efforts to enhance public confidence in the securities business.

I certainly do not have to describe the services that we render, or try to explain why they are wanted. The facts are self-evident. There has grown up a public desire for ownership participation in the profits of American business and industry. From whatever motivation this desire may spring, it is there—and its basic wisdom is confirmed by the strong trend toward equity ownership on the part of educational and religious endowments, other charitable funds, pension and retirement funds, and even ordinary individual trust funds, whether administered by corporate or private trustees. These classes of investors are fiduciaries, by historic habit conservative and cautious. They and we have much in common. We all base our investment policies on diversification of risk, and we all utilize experienced investment staffs. Our investment objectives and policies are impersonal. We do not seek control of the companies in which we invest. We operate and should operate, in the sole interest of our shareholders.

A Unique Investment Vehicle

However, in one very important respect, the investment company is unique. It offers the only medium through which the ordinary individual of limited means can venture into the ownership of equity securities with the measure of protection afforded him by wide diversification and continuous experienced supervision. It is the unique way in which the man with a few dollars can obtain essentially the same type of ownership as the man with millions.

It will be said, and truthfully, that our services are not actually essential. Any individual, given the time, facilities and the interest, can run his own investments and, given the resources, can obtain a modicum of diversification. Many people do so successfully. Others find that advice from banks and brokerage firms meets their needs. What we offer is a convenient service—open to any member of the public who wants it, on terms explicitly spelled out in detail in our Prospectuses. Our service is conducted by people who are experienced, honest and diligent—but still human beings, who are not infallible, and should never claim to be. Our companies are not operated by geniuses who gaze into a crystal ball or have second sight.

Wisely or unwisely, the public, seeking equity investment, has decided that these services offered by the investment companies—particularly, of course, by the mutual funds—are attractive. The results, on the record, must have proved satisfactory; and the costs of our services must be generally regarded as fair by the people who pay them, or they would not continue to do so.

I firmly believe that our industry deserves the important and respected status which it has achieved. However, our very success itself can blind us to the fact that, in the past 20 years, our industry has not only grown in size, but in diversity. It is a very different industry from the infant of 1940. Our increasing significance as a major financial institution has inevitably attracted attention — which, to be frank, we have urgently sought.

Live in a "Glass House"

We are constantly, even insistently, asking the public to permit us to manage its money. We hold ourselves out—if not as "experts" —then certainly as experienced and honorable people who are entitled to the confidence of the public. The public has accepted our assurances on this score, and has entrusted more than 17 billion of its dollars to us. This vast amount of money has come primarily from people of relatively modest means—it is the kind of money that is desperately important to its owners.

We deal with the public's money, and therefore we live in a glass house. To imagine that no glances—some of them skeptical or even hostile—will be thrown in our direction under these conditions, is to be very naive, indeed.

So, it is not remarkable and certainly it is not sinister that the Federal Government, and the governments of the various States in which we operate, and responsible financial writers are interested in our integrity and our practices. The question as to whether all our operations are truly in the public interest is a legitimate one, to which, in all important respects, we believe that we can sincerely give an affirmative answer.

Our industry's record for integrity has been excellent. It is our constant responsibility to keep it so. If it should ever be demonstrated that practices had grown up in our industry that were undesirable and prejudicial in any way to the interests of our shareholders or of the public, I am sure that their elimination would be our most urgent concern. We should always seek to strengthen our structure, and in every way more fully to justify the trust that has been placed in us. We must do so, or lose the confidence of the public—which is our most precious asset.

We have a long history of cooperation in good faith with governmental agencies. Therefore, if, in future, another official inquiry into our business should take place—no matter by what agency it might be made—I believe that we are entitled to expect that such an inquiry will be open, that it will be fair, and that it will be conducted by unprejudiced and qualified persons for constructive purposes, with due regard to the paramount importance of preserving public confidence in an institution with a fiduciary character.

If we remain always conscious of the fact that we are an institution dedicated first to the service of our stockholders and the public, I am confident that we can meet any new challenge as successfully as we have already met the most impersonal and realistic challenge of all—that of the market place in a free society.

*An address by Mr. Richardson at the Annual Meeting of the National Association of Investment Companies, New York City, Oct. 13, 1960.

Forms Brandon Co.

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Carl J. Brandon is conducting a securities business from offices at 9426 Santa Monica Boulevard under the firm name of Brandon and Company. He was formerly with California Investors.

A. H. Gewirtz Opens

Allen H. Gewirtz is engaging in a securities business from offices at 2630 Kingsbridge Terrace, New York City.

R. L. Hollingworth Opens

WEST HEMPSTEAD, N. Y. — R. Lee Hollingsworth is conducting a securities business from offices at 514 Hempstead Avenue.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

A new general management organization plan has been approved by the Board of Directors of **The Chase Manhattan Bank, New York**, to be effective Jan. 1, it was announced by John J. McCloy, who will retire as Chairman of the Board of Directors at the year's end.

Under the new plan responsibility for executive administration of the bank will be vested in George Champion and David Rockefeller. Mr. Champion will be Chairman of the Board of Directors and Mr. Rockefeller will be President and Chairman of the Executive Committee of the Board of Directors. Each will be concerned with and responsible for all aspects of the bank but each will supply special leadership in certain areas of this total responsibility.

Mr. Champion will give particular attention to the operational and lending policies of the bank, to the investment of funds in its portfolio and to its fiduciary responsibilities.

Mr. Rockefeller will give particular attention to forward planning with emphasis on manpower, facilities and markets, to activities abroad and to domestic expansion.

Lawrence C. Marshall, presently Executive Vice-President, will become Vice-Chairman of the Board of Directors.

It is planned that Mr. McCloy will continue to serve on the board of the bank.

Jeremiah Milbank, Jr., has also been elected a member of the board of directors.

Mr. Milbank, is a Director of the **National Bank and Trust Company of Fairfield County, Greenwich, Conn.**

* * *

George A. Roeder, Jr., has been appointed Executive Vice-President and head of the metropolitan department of the **Chase Manhattan Bank, N. Y.** He is now a Senior Vice-President and will succeed Lawrence C. Marshall, who was named Vice-President.

* * *

The First National City Bank of New York, New York opened a branch Oct. 17, in Frankfurt, Germany, offering complete commercial banking facilities. The bank has operated a Representative Office in Frankfurt since 1953.

The new branch will be located at Neue Mainzer Strasse 40-42 which is adjacent to the former Representative Office.

This branch, as part of First National City's world-wide overseas branch system, will be equipped to serve German companies engaged in foreign trade as well as American and other business interests in Germany.

Mr. Harold Swenson, who was formerly in charge of the Representative Office, is Manager of the new branch.

* * *

Irving Trust Company, New York, announces the promotion of Benjamin D. Sisson and George B. Wemple to Vice-President.

Mr. Sisson, formerly an Assistant Vice-President, is associated with the Research and Planning Division and in January, 1961, will become head of that division.

Mr. Wemple, also with the Research and Planning Division, joined the bank this year.

At the same time the following were elected Assistant Vice-Presidents: Albert M. Braatz, Tax Department; Walter G. Eichler and James V. Tomai, Jr., Mortgage and Real Estate Division; Curtis M. Smith, Advertising Department; and Walter J. Watson, 46th Street Branch Office.

* * *

A Director of the **Morgan Guaranty Trust Co., New York**, Junius Spencer Morgan, died Oct. 19 at the age of 68.

Mr. Morgan joined the firm of **J. P. Morgan & Co.** in 1915. He became a partner in 1919. When the firm was incorporated in 1940, he became a Director.

* * *

The appointment of Michael J. Nicolais as an Assistant Vice-President, John A. Collins as Assistant Secretary and Miss Hazel Boniface as an Assistant Manager of **Manufacturers Trust Company, New York**, was announced by Horace C. Flanigan, Chairman of the Board. The appointment of Miss Boniface brings the total number of women officers of the bank to 34.

Mr. Nicolais came to the bank when the **Mortgage Corporation of New York merged** with Manufacturers Trust Company in 1941. He was appointed an Assistant Secretary in 1955. Mr. Nicolais is assigned to the bank's real estate and mortgage department.

Mr. Collins joined the bank in 1953. He was appointed Assistant Branch Manager in 1954. Mr Collins is assigned to the bank's Columbus Circle office.

Miss Boniface came to the bank in 1924. She is assigned to the bank's Credit Department.

* * *

Appointment of Robert J. Kohberger, as a member of the advisory board of **Manufacturers Trust Company's** Rockefeller Center office was announced by Horace C. Flanigan, Chairman of the Board of the Bank.

* * *

Arthur F. McGinness has been promoted to the position of regional Vice-President by **Chemical Bank New York Trust Company, New York**, it was announced Oct. 24 by Harold H. Helm, Chairman.

Mr. McGinness, who has been Vice-President at the bank's 46th Street and Madison Avenue office, succeeds the late Walter M. Hawkins as Vice-President in charge of the bank's offices on Manhattan's West Side, with headquarters at 54th Street and Broadway.

Chemical Bank New York Trust Company, New York has elected Douglas M. Black, Chairman of its 59th Street Advisory Board, it was announced Oct. 26. 1960 by Chairman Harold H. Helm.

* * *

On Oct. 19, William H. Moore Chairman, **Bankers Trust Company, New York**, made the following announcements:

Jean F. Robert, Lee P. Stack, Jr. and Walter C. Warner were appointed Vice-Presidents.

George R. Montgomery and Edwin L. Sibert, Jr. were elected Trust Officers.

William B. Austin, Jr., Edward A. Lesser, Gustav Kreischer, Charles Leeds, Ernest Kingdon and Lawrence H. Mills were named to the bank's official staff.

* * *

Mr. Philip Isles, a member of the Advisory Committee of the **Bankers Trust Company, New York**, died Oct. 19 at the age of 48.

* * *

The Franklin National Bank of Long Island, Franklin Square, N. Y. has appointed William J. Botto, as Assistant Vice-President in charge of the Bank's newly established accounts receivable division.

A plan to merge **The Lindenhurst Bank of Lindenhurst, New York**, into the **Long Island Trust Company, Garden City, N. Y.** has been announced by Frederick Hainfeld, Jr. and Adam Muller, Presidents of the two banks. Subject to the approval of stockholders of both banks and of the New York State Banking Department and of the Board of Governors of the Federal Reserve System, the merger will result in a banking institution with total resources of over $114,000,000 and deposits totaling more than $100,000,000.

As of Sept. 30, 1960, the Long Island Trust Company reported resources of $11,480,167.28, and deposits of $91,333,746.81. The Lindenhurst Bank's statement of condition as of that date showed resources of $11,480,167.68, and deposits of $10,485,927.64.

The terms of the merger agreement approved by the Boards of Directors of both Banks provide for the issuance of 21 shares of Long Island Trust Company stock for each share of stock of The Lindenhurst Bank.

Ainslie M. Wardle, Executive Vice-President of The Lindenhurst Bank, will be named Vice-President of Long Island Trust Company and will be Manager of the Lindenhurst Office.

* * *

Joseph Finnigan, Chairman has been elected President of the **First National Bank in Yonkers, Yonkers, N. Y.**

* * *

Lewis H. Durland, Chairman of the Board and Paul W. Brainard, President, of **First National Bank & Trust Co. of Ithaca, Ithaca, N. Y.**, jointly have announced that the bank's Directors have voted to recommend to the bank's stockholders that the bank affiliate with the **Marine Midland** system and that its shareholders exchange their shares for **Marine Midland Corporation** common stock.

The proposal which will be submitted to the bank stockholders for their acceptance, is subject to the approval of state and Federal regulatory banking authorities.

Baldwin Maull, President of **Marine Midland Corp.**, disclosed that the exchange offer involves 126,000 Marine Midland common shares and the basis of exchange is 3½ shares of Marine Midland for each First National Bank share.

It is contemplated that First National Bank will merge with **Marine Midland Trust Company of Southern New York** and operate as a part of the enlarged regional bank which would serve 12 communities with 19 banking offices: Binghamton, Cayuga Heights, Cortland, Elmira, Elmira Heights, Endicott, Horseheads, Ithaca, Johnson City, Watkins Glen, Waverly and Windsor. Mr. Durland will become a Director and Mr. Brainard will become a Senior Vice-President of Marine Midland Trust Co. of Southern New York while the present First National Board of Directors will be an active Advisory Board for the Ithaca area with Mr. Durland as Chairman.

Charles A. Winding, Elmira, is Chairman of the Board, and John H. Wurts, Binghamton, is President of Marine Midland Trust Co. of Southern New York.

The First National Bank & Trust Co. of Ithaca has deposits of approximately $25,000,000 and total resources in excess of $27,000,000.

* * *

Subject to the approval of national and state supervising authorities and the stockholders of both institutions, are the actions of the Board of Directors of **Liberty Bank of Buffalo, N. Y.** It voted to acquire two smaller outlying banks, **Erie County Trust Co. of East Aurora** and **National Bank of Fredonia, N. Y.**

The Erie County Trust Co. had deposits of more than $12,500,000 on June 30, National Bank of Fredonia deposits of about $7,525,000, and and Liberty's deposits were $153,513,401.

* * *

The President of the **Kingston Savings Bank, Kingston, N. Y.**, Mr. Holt Norris Winfield, died Oct. 11 at the age of 74. He has been president since 1938 and a trustee since 1923.

He was elected this year to the position of Trustee of the **Savings Bank Trust Co. of New York.**

* * *

The Merchants National Bank & Trust Co. of Syracuse, Syracuse, N. Y., has increased its common capital stock from $1,870,000 to $2,057,000. (Number of shares outstanding 205,700, par value $10.)

* * *

By a stock dividend, **The Merchants National Bank of Burlington, Burlington, Vermont**, has increased its common capital stock from $150,000 to $200,000, and by the sale of new stock, from $200,000 to $300,000, effective Oct. 13. (Number of shares outstanding—7,500 shares, par value $40.

* * *

By a stock dividend, **The National Bank of Derby Line, Derby Line, Vermont**, has increased its common capital stock from $100,000 to $200,000, effective Oct. 10. (Number of shares outstanding—4,000 shares, par value $50.)

* * *

Mr. Thomas G. Brown, Jr., has been elected Vice-President of the **State Street Bank and Trust Company of Boston, Boston, Mass.**, by its Directors, it was announced Oct. 21.

* * *

The Weehawken Trust Co., Union City, N. J., has been absorbed by the **Commercial Trust Company of New Jersey, Jersey City, N. J.**, effective Oct. 10.

* * *

By the sale of new stock, **The Marine National Bank of Wildwood, Wildwood, N. J.**, has increased its common capital stock from $330,000 to $430,000, effective Oct. 14. (Number of shares outstanding — 43,000 shares, par value $10.)

* * *

The First National Bank and Trust Company of Kearny, Kearny, N. J., has increased its common capital stock from $600,000 to $700,000, by a stock dividend, effective Oct. 7. (Number of shares outstanding, 28,000 shares, par value $25.)

* * *

The Peoples National Bank and Trust Company of Norristown, Norristown, Pa., has increased its common capital stock from $999,175 to $1,221,200, by the sale of new stock, and from $1,221,200, to $1,245,600 by a stock dividend, effective Oct. 3. (Number of shares outstanding, 49,824 shares, par value $25.)

* * *

Jack Wolgin has been elected a Director of the **Industrial Trust Co., Philadelphia, Pa.**, it was announced by Samuel Weinrott, President.

* * *

James M. Large, Chairman of the Board, **Provident Tradesmens Bank and Trust Company, Philadelphia, Pa.**, has announced the election of Fred Carpi, to the Board of Directors of the bank.

* * *

David H. Sullivan has been appointed Vice-President in the National Department of **Mellon National Bank and Trust Company, Pittsburgh, Pa.**, Frank R. Denton, Vice-Chairman announced.

Mr. Sullivan began his banking career in 1931 with the **Farmers Deposit National Bank.** He worked in various departments of the bank and was named an Assistant Cashier in 1948. In 1950 the Farmers Deposit became the Farmers Bank Office of Mellon Bank. In May of 1953, Mr. Sullivan was named Assistant Manager of that office, and the following month he was named Assistant Cashier and assigned to the Bank's Principal Office. In 1957 he was appointed Assistant Vice-President in the Banking Department, now the National Department.

* * *

Harry V. Sturges, Jr. has been appointed Assistant Vice-President in the National Department of **Mellon National Bank and Trust Co., Pittsburgh, Pa.**, Frank R. Denton, Vice-Chairman of the bank, announced.

Richard W. Plumb and Joseph J. Utzig have also been appointed Assistant Cashiers in the Operating Department of **Mellon National Bank and Trust Co., Pittsburgh Pa.**

* * *

The Industrial Trust Co., Philadelphia, Pa., will celebrate its 71st anniversary year, beginning Saturday, Oct. 29, announced Samuel Weinrott, President.

* * *

The National Bank of Fredericksburg, Fredericksburg, Va., has increased its common capital stock from $100,000 to $200,000, by a stock dividend, effective Oct. 11. (Number of shares outstanding—2,000 shares, par value $100.)

* * *

The Office of the Comptroller of the Currency has approved the consolidation of **The First National Bank of Marietta, Marietta, Pa.**, and the **Exchange National Bank in Marietta, Marietta, Pa.**, which will take the title of the First National Bank of Marietta. The effective date is to be determined.

* * *

By the sale of new stock, the **Russell National Bank of Lewistown, Lewistown, Pa.**, has increased its common capital stock from $400,000 to $500,000, effective Oct. 3. (Number of shares outstanding 20,000 shares, par value $25.)

* * *

The Liberty Trust Co., Cumberland, Md., and **The First State Bank, Grantsville, Md.**, have merged under the title of The Liberty Trust Company.

* * *

The National Bank of Washington, D. C. plans to acquire the **Anacostia National Bank, Washington, D. C.** Anacostia shareholders will receive 11 shares in the merged bank for each share presently held. National shares have a par value of $10 and Anacostia a par value of $100.

The merged bank would have total assets of more than $300,000,000.

The merged bank would retain employees and officers of Anacostia and two Directors of Anacostia would be seated on the Board of National Bank. These plans are subject to the approval of the shareholders and the Comptroller of the Currency.

National Bank has 11 branches and Anacostia has seven. As of June 30 National Bank had assets of about $275,000,000 and Anacostia Bank had assets of about $29,000,000.

* * *

The Arlington Trust Company, Washington, D. C., joined the Financial General Corporation banking group with the "closing" of negotiations Oct. 14 for majority interest, in the Bank by the parent company and its affiliates.

Maj. Gen. George Olmsted, is to be elected to the Board of Directors of the Bank.

Assets of the Arlington Trust Co. were $43,423,587 and deposits $40,207,486 as of the last report of June 15, 1960.

The Arlington Bank is headed by Fred A. Gosnell, Sr., Chairman, and Mrs. John E. Fowler, Vice-Chairman.

* * *

Shareholders of **The Ohio Citizens Trust Co., Toledo, Ohio**, will be asked at a special meeting on Nov. 16 to authorized an increase in the bank's capital account from

117,000 to 125,000 outstanding $20 par value shares.

Subject to shareholder authorization and approval of the State Department of Banking, directors propose declaring a stock dividend—one for each 14⅝ shares presently held—an approximate 7% overall increase. The capital account would then rise from $2,340,000 to $2,500,000.

Shareholders of record Nov. 4 will be entitled to vote at the special meeting.

The bank's surplus account will be increased should authorization be given for the stock dividend. It would be the second increase to surplus within four months. In August, directors approved raising the account by $750,000—from $3,160,000 to $3,910,000. Plans now call for $90,000 to be added, bringing surplus to $4,000,000.

The total of capital and surplus accounts thus would reach a new $6,500,000 high for Ohio Citizens.

* * *

A modern suburban bank office opened for business, Oct. 10, of the **Society National Bank, Cleveland, Ohio.**

William D. Nims, a veteran of more than 23 years service with Society will manage this new branch.

* * *

The application of the **Boonville National Bank, Boonville, Ind.,** and the **Newburgh State Bank, Newburgh, Ind.,** to merge under the title of the **Warrick National Bank of Boonville,** has been approved by the Comptroller of the Currency. No date of effect has been determined.

* * *

The consolidation of the **First National Bank of Bloomington, Bloomington, Ind.,** with common stock of $400,000, and **The Citizens Bank and Trust Co., of Bloomington, Bloomington, Ind.,** with common stock of $200,000 was effective as of Sept. 30. The consolidated bank has taken the title of the **Citizens First National Bank of Bloomington,** and has capital stock of $800,000 divided into 160,000 shares of common stock of the par value of $5 each.

REPORT OF CONDITION OF

THE CORPORATION TRUST COMPANY

of 120 Broadway, New York, New York, at the close of business on October 3, 1960, published in accordance with a call made by the Superintendent of Banks pursuant to the provisions of the Banking Law of the State of New York.

ASSETS	
Cash, balances with other banks and trust companies, including reserve balances, and cash items in process of collection	$2,199,000.68
United States Government obligations, direct and guaranteed	600,239.23
Corporate stocks	60,000.00
Leasehold improvements	211,998.17
Furniture and fixtures	400,858.60
Other assets	827,833.22
TOTAL ASSETS	$4,299,929.90
LIABILITIES	
Demand deposits of individuals, partnerships, and corporations	$269,412.26
Other liabilities	2,453,084.86
TOTAL LIABILITIES	$2,722,497.12
CAPITAL ACCOUNTS	
Capital †	$500,000.00
Surplus fund	325,000.00
Undivided profits	752,432.78
TOTAL CAPITAL ACCOUNTS	$1,577,432.78
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$4,299,929.90

†This bank's capital consists of common stock with total par value of $500,000.00

MEMORANDA	
Assets pledged or assigned to secure liabilities and for other purposes	$109,588.05
Securities as shown above are after deduction of reserves of	1,042.02

I, G. F. LE PAGE, President, of the above-named institution, hereby certify that the above statement is true to the best of my knowledge and belief.

Correct—Attest:

RALPH CREWS
O. L. THORNE } Directors
WM. R. WATSON

The Directors of **The First National Bank of Chicago, Chicago, Ill.,** at their meeting on Oct. 14, declared a 20% stock dividend to be accomplished by a charge to Undivided Profits and to be payable to Shareholders of record on Dec. 30, all subject to approval by the Shareholders of the Bank and to the issuance of a Certificate of Approval by the Comptroller of the Currency.

This matter will be submitted to the Shareholders at the next Annual Meeting on Jan. 10, and if duly approved the stock dividend of $25,000,000 will be distributed to the shareholders on the date the Comptroller of the Currency approves the increase in the Bank's capital stock from $125,000,000 to $150,000,000.

The Directors also authorized the transfer of $5,000,000 from Undivided Profits to Surplus, thus increasing the Bank's surplus to $145,000,000. After giving effect to the proposed stock dividend, the Bank will have a combined capital and surplus of $295,000,000.

The Directors have fixed the close of business on Dec. 30, as the record date for shareholders entitled to vote at the annual meeting and to participate in the stock dividend.

* * *

The **Continental Illinois National Bank & Trust Co., Chicago, Ill.** has elected Philip H. Cordes and Joseph B. Fitzer operating department Vice-Presidents and Alfred P. Haake, Jr., has been elected a trust department Vice-President.

* * *

On Oct. 24, the **Harris Trust and Savings Bank, Chicago, Ill.,** and the **Chicago National Bank, Chicago, Ill.,** opened as a merged institution. This makes Harris the third largest Bank in Chicago, and makes its resources total more than $900,000,000.

* * *

George V. Myers was elected Oct. 12 to the Board of Directors, **American National Bank & Trust Co. of Chicago, Chicago, Ill.,** Lawrence F. Stern, Chairman of the Board, announced.

* * *

Arnold J. Rauen was also appointed an Assistant Vice-President, Banking Department.

* * *

By the sale of new stock, the **Busey First National Bank, Urbana, Ill.,** has increased its common capital stock from $300,000 to $400,000, effective Oct. 7. (Number of shares outstanding—4,000 shares, par value, $100.)

* * *

The National Bank of Detroit, Michigan, has announced the appointment of J. Franklin Mellema as Vice-President and Deputy Comptroller.

* * *

THE SECOND NATIONAL BANK, ASHLAND, KY.

	Oct. 3, '60	Jun. 15, '60
Total resources	$32,932,108	$33,049,582
Deposits	29,680,245	30,020,438
Cash and due from banks	8,934,031	8,210,005
U. S. Government security holdings	8,242,485	8,638,430
Loans & discounts	12,518,009	12,851,917
Undivided profits	429,789	421,638

* * *

The First National Bank, Iowa City, Iowa City, Iowa, has increased its common capital stock from $400,000 to $500,000, by the sale of new stock, effective Oct. 12. (Number of shares outstanding—20,000 shares, par value $25.)

* * *

A merger certificate has been issued by the Comptroller of the Currency approving the merger of the **Merchants & Farmers Bank of Statesville, Inc., Statesville, North Carolina,** with common stock of $300,000 into **North Carolina National Bank, Charlotte, N. C.,** with common stock of $9,344,500. The merger was effected under the title of the **North Carolina National Bank,** with capital stock of $9,719,500, divided into 1,943,900 shares of common stock of the par value of $5 each. The effective date is Oct. 7.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Foreign Utilities in the Americas

Most foreign utilities whose stocks are traded in the U. S. and Canadian markets have not fared very well in the past year or so. Some of the Canadian electric utililties, such as British Columbia Power and Shawinigan Water & Power, are selling well below their highs of 1958-9 and at low price-earnings ratios compared with the "rapid growth" multiples of two years ago. On the other hand, Calgary Power, International Utilities and some others are still doing well marketwise.

American & Foreign Power was, of course, hard hit by the Cuban debacle, and cut its dividend in half, but recent reports regarding its other varied interests in Latin America have been more encouraging. **Cuban Electric**, about 88% controlled by American & Foreign Power, is apparently no longer actively traded; last June the stock was quoted nominally at about ½-1½. **Cuban Telephone,** listed on the Havana Exchange, is 65% controlled by International Tel. & Tel.; there does not appear to be an active over-the-counter market in New York at this time.

On the other hand, **Puerto Rico Telephone,** with a rate increase, the benefit of a new telephone cable to the U. S., and increased tourist business because of Cuban difficulties, has done very well this year and the stock made a new high. Another utility with a good growth record is **Jamaica Public Service Ltd.,** whose revenues have about doubled in the past four years; the construction of new hotels has doubtless had a stimulating effect on tourist business.

Brazilian Traction, which together with American & Foreign Power handles most of the Brazilian utility business, is a big, old-line system with revenues of about $151 million. Subsidiaries supply electricity, gas, telephone and traction service to a population of over 25 million in the principal coffee district and in the commercial and banking centers of Brazil. The holding company was incorporated in Canada in 1912 and has its main office in Toronto.

The company, on a long-term historical basis, has not had too bad a record. Dividends have been paid since 1912 on the common stock with the exception of the years 1918-21, 1933-35, 1939-40 & 1959-60. Only 3c in cash was paid in 1955, but extra dividends of 5% in stock were paid in the years 1954-57, inclusive. There are over 17 million shares, traded on the American Exchange and in London and elsewhere. In 1929 the stock sold as high as 36⅝ but the best it has been able to do in later years was 13 in 1951-52 and 10½ in 1957. Recently it has been selling on the American Exchange around 4½, the range this year being 5¼-3⅝.

The companay has been conservatively managed by its Canadian officials, but it has suffered severely from the continued inflation in Brazil and the company's inability to obtain rate increases adequate to offset increased costs. Thus, the return on net property, as computed by Standard & Poor's, has declined from 10% in 1949 (when the company earned $2.26 a share) to 2% last year (when 58c was reported). Any one interested in the stock should carefully study the annual report to stockholders in order to understand the method by which cruzeiro earnings are translated into Canadian dollars.

Unfortunately, Brazilian Traction officials do not issue much interim information and the annual report, while attractively prepared, omits some information which would be of interest to analysts. Recently the cruzeiro exchange rate has stabilized somewhat with the implication that earnings might improve a little in 1960. Moreover, the recent election of a new President of Brazil, Janio Quadros, has raised hopes that inflation would really be brought under control. (As Governor of Sao Paulo he had taken over a government that was deep in the red, balanced the budget and established the best administration in the state's history, according to U. S. News and World Report.) On the other hand, President Kubitschek's main objective has been to construct the new capital of Brasillia, and apparently little serious effort was made to cope with inflation during his administration. Huge amounts were also wasted in a vain effort to support the price of coffee. As a result, Brazil now has a staggering foreign debt of about $1.7 billion, of which nearly half is owed to U. S. agencies, and there is talk of a debt moratorium to allow the country to get on its feet.

But while Quadros has predicted "excellent relations" with the U. S., he has visited Castro and spoken admiringly of him. He has also advocated curbing the remittance of profits by foreign companies and has suggested that foreign-owned utilities should be taken over by the government. These latter statements are said to have been campaign propaganda to appeal to the leftist element, and it is claimed that now that he is elected he will give the country an honest administration. However, it remains to be seen whether Brazilian Traction will be allowed to benefit by any future checking of inflation.

Mexican Light & Power has had a peculiar market record this year. It formerly sold around 15, but the Mexican Government (through an intermediary) offered $20 per share for the common stock. This was accepted by SOFINA, the Belgian investment company which had a controlling interest, and by most of the public holders. Unfortunately, the new directorate installed by the Government of Mexico soon passed the dividend (formerly $1 cash and 5% in stock per annum) and holders who were unlucky enough to retain their stock have now seen it drop precipitously to around eight.

An interesting Latin-American company is **Canadian International Power,** with headquarters in Montreal. This holding company was controlled by President I. W. Kilam during 1926-53, but in 1953 nearly half the stock was purchased from the Kilam estate by a group of American and Canadian investors, including United Corp., and the company was subsequently recapitalized.

The company's major interests are in Venezuela though it also has properties in Bolivia, British Guiana, Mexico and El Salvador. It has enjoyed a remarkable growth record, kwh sales of electricity in 1959 being over three times as much as in 1949. Gross earnings in the past five years have increased from $13.5 million to $22.8 million and net earnings after depreciation from $6.3 million to $9.2 million.

The stock has been selling recently on the Montreal Exchange around 12, as compared with highs of 27 in 1958 and 24 in 1959. Share earnings were $3.49 last year, $3.14 in 1958 and $2.98 in 1957. It is expected that earnings for 1960 will show a further gain, maintaining the record of the company as a "growth utility." The holding company has paid no dividends on its common stock thus far, having used the cash to reduce the amount of its outstanding preferred stock (it has no bonds) but it appears likely that dividends will be initiated at some point.

With the favorable earnings showing, why has the stock made such a poor record marketwise? While the company has no interest in Cuba, it appears likely that investors have become fearful of similar political upsets in other Latin American countries, particularly Venezuela. If the present Administration in that country proves able to establish more stable political conditions, the price of the stock might be expected to reflect this development.

Scantlin Common Stock Is Offered

Offering of 250,000 shares of common stock of Scantlin Electronics, Inc. (Los Angeles, Calif.) was made on Oct. 26 by underwriters headed by Carl M. Loeb, Rhoades & Co. and Paine, Webber, Jackson & Curtis and including Merrill Lynch, Pierce, Fenner & Smith Incorporated. The stock was priced at $12 per share.

Of the shares offered, 175,000 shares are being sold by the company and 75,000 shares represent a secondary offering of outstanding shares by two stockholders. In addition the underwriters hold an option from one of the selling stockholders to purchase up to an additional 25,000 shares to cover over-allotments made in the course of the offering.

The business of Scantlin Electronics, incorporated in 1957, consists of design, development and manufacture, and sale and lease, of proprietary electronic devices for specialized and industrial and commercial applications.

Part of the net proceeds received by the company from the sale of the additional shares will be used to repay loans of $185,000. The balance of the proceeds will be added to the general funds of the company and will be available for working capital and general corporate purposes, including possible temporary reduction of bank loans incurred in connection with the company's Quotron program. Quotron, in current production in limited quantities, is a device which enables a stock broker to obtain from his Quotron desk unit a printed tape showing the last sale of a security as it appeared on the ticker tape of the stock exchange to which it is connected, or if desired, a printed summary of the day's transactions on the exchange in that security.

Jos. L. O'Brien Co. Formed in Phila.

PHILADELPHIA, Pa.—Joseph L. O'Brien Co. has been formed with offices at 1500 Walnut Street, to engage in the securities business. Officers are Joseph L. O'Brien, President; Joseph L. O'Brien, Jr., Vice-President; Edward J. McGuire, Secretary-Treasurer; and Catherine A. Schwab, Assistant Secretary. Mr. O'Brien, Mr. McGuire and Miss Schwab were formerly associated with Carr O'Brien & Co. and the former firm of Joseph L. O'Brien Co.

Huntington Securities

Huntington Securities Co., Inc. has been formed with offices at 217 Broadway, New York City to engage in a securities business. Officers are Benjamin Stein, President; Stanley M. Lubow, Vice-President; and Ida Stein, Secretary-Treasurer.

We Perpetuate Capitalism Only by Making It Work

Continued from page 14

cal fiscal policy. It is a highly conservative one.

But we must have a flexible, balanced, and, above all, coordinated monetary and fiscal policy. I do not, let me make clear, advocate any changes in the constitution of the Federal Reserve System. It is important to keep the day-to-day operations of the Federal Reserve removed from political pressures. The President's responsibility — if he is to lead — includes longer range coordination and direction of economic policies, subject to our system of checks and balances. And I believe the Federal Reserve Board —which during the last eight years has cooperated closely with this Administration — would also cooperate with future strong and well considered Presidential leadership which expresses the responsible will of Congress and the people.

Third, I believe that the next Administration must work sympathetically and closely with labor and management to develop wage and price policies that are consistent with stability. We can no longer afford the large erratic movements in prices which jeopardize both domestic price stability and our balance of payments abroad. Nor is there a place for the kind of *ad hoc* political intervention which settled the steel strike. Without resorting to the compulsion of wage or price controls, the President of the United States must actively use the powers of leadership in pursuit of well-defined goals of price stability. For those powers — of reason, moral suasion, and influencing public opinion — have by no means been exhausted to date.

Fourth, we must make certain that there is proper encouragement to plant modernization. Postwar Europe has a new and modern industrial plant. So has the Soviet Union. We cannot compete if our plants are out of date or second-rate. Wherever we can be certain that tax revision, including accelerated depreciation, will encourage the modernization of our capital plant—and not be a disguise for tax avoidance — we should proceed with such revision. It is sound, liberal policy to see that our productive plant is the best and most modern in the world. And a combination of these policies with policies of full employment can help us realize the full promise of automation. Taxes affect not only revenue but also growth, and a new Administration must review carefully but with imagination our entire tax policy to see that these objectives are being met.

Fifth, we must pay equal attention to the men that man the plant. Growth requires that we have the best trained and best educated labor force in the world. Investment in manpower is just as important as investment in facilities. Yet today we waste precious resources when the bright youngster, who should have been a skilled draftsman or able scientist, must remain a pick-and-shovel worker because he never had a chance. It is time we geared our educational systems to meet the increased demand of modern industry — strengthening our public schools, our colleges, and our vocational programs for retraining unemployed workers.

Finally, we must remember that, in the long run, the public development of natural resources too vast for private capital—and Federally encouraged research, especially basic research — are both sources of tremendous economic progress.

In all of these areas, I believe we can do a better job. If our economy is vigorous, efficient, and expanding, and if our prices are stable and competitive, then business will create the jobs necessary for full employment and recover our old position in world and domestic markets. And as we continue to invest in other countries, other countries will invest here. Our balance of payments will be strong, and we can cease to worry about the outflow of gold.

Opposes Gold Devaluation

I do not minimize the importance of the outflow of gold, especially in the short run. And I would never want us in the position of being forced to tinker with the dollar in order to maintain our competitive position in the world export market. Our balance of payments position must be recognized in framing our domestic economic policies. It is a problem we must face, with all its implications. It affects our monetary policy as well as our price and wage policy, and they are all affected by our competitive position with the free world, the underdeveloped world, and with the managed economy of the Soviet world itself.

This will involve the policies of other nations as well. For most of the world still relives the days of the dollar shortage. Though it no longer exists, the habit of behaving as though it did exist — of saving dollars by discriminating against American goods—has not yet disappeared. Our goods are still subject to special restrictions in many markets. We must work hard to get these restrictions removed. We should explore market and credit reports as methods of encouraging exports. And we should work with the creation of the larger trading units in Europe —the Common Market and the Free Trade Area. These will strengthen Europe; they need not divide it. But it is a development to which we must give the closest study. Is there a chance that the trend toward these trading communities is passing us by—that we will awaken one day to find ourselves the great outsider? I would like to be certain that this is not happening.

We must also take a new look at our programs of economic aid. I firmly support such aid — but we must be sure that it is well and efficiently used—and increasingly, we must make assistance to the underdeveloped countries a cooperative endeavor of the well-to-do developed lands, cooperatively financed.

Foreign Policy

Here, as so often, economics merges with foreign policy. After World War II the United States could have taken advantage of its extraordinary financial position; but in the interest of the free world we used imagination and restraint. Today, could we not fairly ask our friends to show similar restraint in dealing with gold and in helping to carry, according to their ability, a larger share of the financial burden of defending the free world and aiding the underdeveloped nations?

In this age, when capitalism is on trial, we cannot have a policy that is less than the best. Indeed, we can perpetuate capitalism only by making it work—by serving it as well as it has served us. This, I think is the economic issue in this campaign. It is between the contented and the concerned; between the inert and the active; between those who look back in satisfaction and those who look forward in hope. I am proud to be the candidate of the concerned, of the hopeful, and of those who look for progress. I am proud to be the candidate of my party.

*An address by Senator Kennedy before the Associated Business Publications Conference, New York City, Oct. 12, 1960.

Transitubes Stk. Marketed Here

Pursuant to an Oct. 19 offering circular, Blaha & Co., Inc., Long Island City 1, N. Y., publicly offered 200,000 shares of the 10c par common stock of Transitubes Electronics, Inc. at $1 per share.

The company under a franchise agreement with the Grover Co. of Detroit, engineers, installs, services and sells Pneumatic Transitube equipment for the most part to industrial plants, institutions, banks and hospitals. The company has such exclusive franchise rights in the States of Florida and Georgia. The company's franchise agreement provides that such franchise may be terminated for just cause by either party upon 90 days written notice. Approximately 35% of the company's business is derived from its Transitubes division.

Associated Elevator & Supply Co., a division of the company, is engaged in the manufacturing, sales, installation, and service of both oil hydraulic passenger and freight elevators, as well as dumbwaiters. These elevators bear the trade name "Oilmatic" which name has been duly registered in the State of Florida.

Principally, the company sells its elevator products and services to institutions such as hospitals, banks, and hotels, as well as to apartment buildings, manufacturing plants and to private residences. Approximately 45% of the company's business is derived from its elevator division.

Since 1946, the company has acted as a distributor for major suppliers in the sale of specialized construction products. Most of these items are purchased by the company on a discount basis for resale to the construction industry or to the consumer directly, as the case may be.

Sales by the company of such building specialty products are for the most part made to department stores, banks, hospitals, hotels, gasoline stations and to general contractors. Approximately 20% of the company's business is derived from the sale of these products.

Los Angeles Bond Club to Hear

LOS ANGELES, Calif. — Dr. Franklin D. Murphy, Chancellor of UCLA, will adress The Bond Club of Los Angeles at a luncheon meeting at the Biltmore Hotel on Oct. 31, Bond Club President William S. Hughes, of Wagenseller & Durst, Inc., has announced.

"Education and U. S. Foreign Policy" will be the topic of Dr. Murphy, who is widely recognized for outstanding achievements not only in medicine but also in administration and education. He is Chairman of the Executive Committee of the Commission on Higher Education in the American Republics, and was one of seven university presidents who visited universities and technical institutes in the Soviet Union in 1958.

Two With A. G. Becker

(Special to The Financial Chronicle)

CHICAGO, Ill.—Warner A. Rosenthal and John A. Griner, III, have become associated with A. G. Becker & Co. Incorporated, 120 South La Salle Street, members of the New York and Midwest Stock Exchanges. Mr. Rosenthal was formerly with Straus, Blosser & McDowell.

A National Economic Policy Based on Private Effort

Continued from page 15

sessions, for each major critical industry, under the leadership of the Secretary of Labor and the Secretary of Commerce to analyze the problem as it is unique to that industry and develop a program for assistance in dealing with it.

Warns of Gold Panic

(10) To help keep our money honest we must practice rigorous economy, exercise strict control over the Federal budget, and thwart attempts, clearly foreshadowed in opposition discussion, to undermine the independence of the Federal Reserve System in its efforts to pursue a flexible monetary policy geared to the economy's changing needs. The crucial question here is not one of "tight money" versus "easy money" or of high interest rates versus low interest rates, but rather whether monetary and credit conditions are such as to maintain prosperity and growth. History has demonstrated clearly, for anyone who wants to learn from history, that monetary policy makes its largest contribution to prosperity when it is flexible enough to put a damper on speculative activity in boom periods and to spur expansion in slack times. Those in the opposition who loudly demand very easy credit and artificially low interest rates, at all times and under all circumstances, are practically inviting foreign banks and investors to pull out the billions of dollars that they now hold here on deposit or in short-term paper. If such a sequence of events should ever develop as a result of cheap money dogmatists come to high public office, a totally stupid and unnecessary gold crisis would be brought on which could have disastrous consequences, not only for America but for the entire Free World. A prime requisite of the ability to govern is the ability of modern governments to keep their money straight.

(11) To protect economic growth against the threats of inflation and recession, government must act in a timely and vigorous way under the mandate of the Employment Act of 1946. Through an early warning economic intelligence system, through flexible use of fiscal and credit policies, including tax adjustments if necessary, much can be done to protect the economy against threats to its stable growth. Achieving this task would be greatly aided if the Employment Act were amended to include reasonable price stability as a major purpose of Federal policy under the Act, and if our unemployment insurance system were substantially strengthened.

(12) To co-ordinate in a better fashion the various government efforts bearing on the promotion of healthy economic growth, I believe that new machinery is required in the Executive Branch. We need a National Economic Council to advise the President on economic matters at the same level and with the same stature as the National Security Council is presently advising him on national security matters. I want to make it very clear that they will infringe in no way on the independence of the Federal Reserve System, which is something the opposition seems bent on doing and which is already causing concern in responsible circles both in our country and abroad.

This many-sided program represents a proper role for government in fostering sustainable growth of our economy. It emphasizes that the government undertake, not the least things or the most things but the right things. It does not speak of target growth rates, for if we pursue the right policies and pursue them imaginatively and vigorously the resulting growth rate will be right.

Our program reflects a confident outlook as to what Americans can do. It is based on the conviction that a nation's wealth can best be multiplied by the efforts of its citizens. It seeks to invigorate the traditional strengths of our free economy—initiative and investment, productivity and efficiency. It looks to strengthening, not weakening, the role of State and local governments. It rejects the false and simple theory of the opposition that Americans somehow can be governed into perpetual prosperity. It spurns the idea that the worth of a government program is to be measured by the number of Federal tax dollars spent on it. It repudiates the notion that we can meet the economic problems of the 1960's with retreads of depression-born ideas of the 1930's. Americans cannot view the future by using a rear-view mirror.

Our program calls for a national economic policy that is forward-looking, that is based on the energies and hopes and initiative of 180 million Americans, and one that evokes their best efforts.

That is the way to progress for America.

*An address by Mr. Nixon before the Association of Business Economists, New York University, New York City, October 20, 1960.

Loewi & Co. Heads Glen Mfg. Offering

Pursuant to an Oct. 20 prospectus, Loewi & Co. Inc., 225 East Mason St., Milwaukee, Wis., headed an underwriting group which publicly offered 125,000 shares of the $1 par common stock of Glen Mfg. Inc. at $10 per share. The proceeds are to be used initially to reduce short-term bank loans, which on Oct. 13 aggregated $2,330,000.

Glen Manufacturing Inc., is a Wisconsin corporation organized in 1919, engaged principally in the manufacture of women's, misses' and children's outer wearing apparel, including dresses, suits, coats, skirts and sportswear, and in the sale at wholesale of these products throughout the United States. It also produces and sells certain other products and operates a group of retail fabric outlets. Until recently, the company was known by the name "Rhea Manufacturing Company."

Simultaneously with this offering, the company plans a private offering of 8,500 shares of common stock in exchange for such of the outstanding shares of American Junior, Inc., and Mary Lester of Southeastern Wisconsin, Inc., as are not presently owned by the company. This offering is deemed to be exempt from registration under Section 4(1) of the Securities Act of 1933. The exchange offer will be made directly by the company and no commissions will be paid in connection therewith.

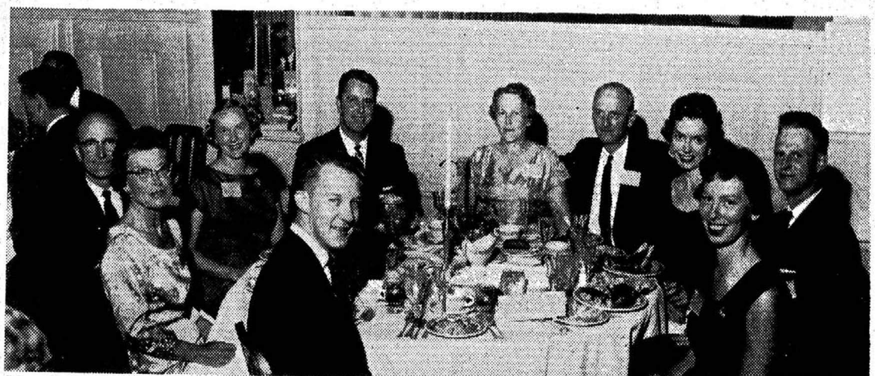
As of Oct. 20, the company owned 900 shares (75% of the 1,200 shares outstanding) of common stock of American Junior, Inc., a Wisconsin corporation organized in 1956. The company is offering 6,000 shares of its common stock in exchange for the remaining 300 shares of common stock of American Junior, at the rate of 20 shares of the company's common stock for each share of American Junior common stock.

Tau Inc. Opens

Tau Incorporated has been formed with offices at 40 Exchange Place, New York City, to engage in a securities business.

Hosts to N. S. T. A. Following Convention

Mrs. Allen L. Oliver, Jr.; Mr. Alfred H. Tisch, *Fitzgerald & Co.*, New York; Mrs. Peter Sansevero; Mr. Allen L. Oliver, Jr., *Sanders & Co.*, Dallas; Mrs. Robert A. Nathane; Mr. Hugh R. Schlicting, *Wm. P. Harper & Son*, Seattle; Mrs. Alfred H. Tisch; Mr. Robert A. Nathane, *Merrill Lynch Pierce Fenner & Smith*, Seattle; Mrs. Hugh R. Schlicting; Mr. Peter Sansevero, *Merrill Lynch Pierce Fenner & Smith*, Seattle



Mr. Kenneth W. Wilson, *Blyth & Co.*, Seattle; Mrs. W. Taylor Patten; Mr. W. Taylor Patten, *Blyth & Co.*, Seattle; Mrs. Robert W. Pitt; Mr. Robert W. Pitt, *Blyth & Co.*, Portland; Mrs. Jerry F. Marquardt; Mr. Jerry F. Marquardt, *William A. Fuller & Co.*, Chicago; Mrs. James H. Scott; Mr. James H. Scott, *Blyth & Co.*, Chicago; Mrs. Kenneth W. Wilson

Mr. Girton R. Viereck, *Bache & Co.*, Seattle; Mrs. Girton R. Viereck; Mrs. O. J. Humphrey, Jr.; Mr. O. J. Humphrey, Jr., *Hill, Darlington & Co.*, Seattle; Mrs. Jean Jarvis, *Bache & Co.*, Seattle; Mr. Larry Roemer, *Bache & Co.*, Seattle; Mr. Charles A. McIntyre, *National Securities, Corp.*, Seattle

Mrs. Richard Shipman; Mr. Robert D. Brearley, *Wood, Gundy & Co.*, New York; Mrs. Robert D. Brearley; Mr. Gilbert M. Lothrop, *W. E. Hutton & Co.*, Boston; Mrs. Gilbert M. Lothrop; Mr. Howell O. Archard, *Howell O. Archard & Co.*, New York; Mrs. James F. Moriarty; Mr. James F. Moriarty, *W. E. Hutton & Co.*, Cincinnati; Mr. Richard Shipman, *Richter & Co.*, New York

Mr. Martin O. Nelson, *Martin Nelson & Co.*, Seattle; Mrs. Martin O. Nelson; Mr. Milton J. Isaacs, *Straus, Blosser & McDowell*, Chicago; Mrs. Milton J. Isaacs; Mr. Charles G. Scheuer, *Wm. H. Tegtmeyer & Co.*, Chicago; Mrs. Charles G. Scheuer; Mr. Elmer W. Hammell, *First Securities Co. of Chicago*, Chicago; Mrs. Elmer W. Hammell; Mr. Earl L. Hagensieker, *Reinholdt & Gardner*, St. Louis, Mo.; Mrs. Earl L. Hagensieker

Mrs. Robert G. Wight; Mr. J. W. Grubbs, Jr., *The Bank of California*, Seattle; Mrs. Edward R. Morton, Jr.; Mr. Edward R. Morton, Jr., *Seattle Trust & Savings Bank*, Seattle; Mrs. J. W. Grubbs, Jr.; Mr. Robert G. Wight, *The Bank of California*, Seattle; Mr. Dale Pitts, *Foster & Marshall*, Seattle; Miss Rose Ann Yellovich, *Pacific National Bank of Seattle*; Mr. Alan F. Schmitz, *Pacific National Bank of Seattle*

Mr. Homer J. Bateman, *Pacific Northwest Co.*, Seattle; Mr. Lester J. Thorsen, *Glore, Forgan & Co.*, Chicago; Mrs. Earline Peterson; Mr. Arthur C. Sacco, *Webster, Marsh & Co.*, Chicago; Mr. Frank X. Cummings, *Bear, Stearns & Co.*, Chicago; Mrs. Frank J. Ronan; Mrs. Homer J. Bateman; Mr. Frank J. Ronan, *New York Hanseatic Corp.*, New York

Mrs. Clinton E. Foulds; Mr. Clinton E. Foulds, *Wm. P. Harper & Son*, Seattle; Mrs. C. D. Mahoney; Mrs. Glen H. Southwick; Mr. C. D. Mahoney, *C. D. Mahoney & Co.*, Minneapolis; Mr. Glen H. Southwick, *Southwick-Campbell & Co.*, Seattle

Mr. Robert M. Topol, *Greene & Co.*, New York; Mrs. George M. Tapp; Mr. John R. Lewis, *John R. Lewis, Inc.*, Seattle; Mrs. Peter Baker; Mr. Frank Granat, Jr., *Blanchett, Hinton & Jones*, Seattle; Mrs. Robert M. Topol; Mr. Peter Baker, *Merrill Lynch Pierce Fenner & Smith*, Seattle; Mrs. Frank Granat, Jr.; Mr. George M. Tapp, *Doherty, Roadhouse & Co.*, Vancouver, B. C.; Mrs. John R. Lewis

James H. Zilka, *Zilka Smither & Co.*, Portland; Mrs. Edwin L. Tatro; Mr. Frank J. Murray, *Laird, Bissell & Meeds*, New Haven, Conn.; Mrs. C. Arnold Taylor; Mr. Edwin L. Tatro, *Edwin L. Tatro Co.*, New York; Mrs. James H. Zilka; Mr. C. Arnold Taylor, *Zilka Smither & Co.*, Seattle

Seattle Security Traders Association

Mr. George M. McVey, *Lehman Bros.*, New York; Mrs. James G. Morford; Mr. Jack B. Wielar, *Gregory & Sons*, New York; Mrs. Jack B. Wielar; Mr. Louis G. Coupez, *Hughbanks, Inc.*, Seattle; Mrs. Louis G. Coupez; Mr. Walter L. Burns, *Baumgartner, Downing & Co.*, Baltimore; Mrs. H. James Morford; Mr. H. James Morford, *Hughbanks, Inc.*, Seattle; Mrs. Walter L. Burns

Mrs. Roger H. Hamilton; Mr. Roger H. Hamilton, *Seattle First National Bank;* Mr. John G. Bisset, *Walston & Co.*, Seattle; Mr. Man Lan U, *Walston & Co.*, Seattle; Mrs. Eugene F. Ludwig; Mr. Eugene F. Ludwig, *Walston & Co.*, Seattle; Mrs. William H. Oper; Mr. William H. Oper, *Walston & Co.*, Seattle; Mrs. Kenneth A. Whiting; Mr. Kenneth A. Whiting, *Seattle First National Bank*

Mrs. Edgar A. Christian; Mr. William J. McCullen, *Hess, Grant & Remington*, Philadelphia; Mrs. Joseph R. Dorsey; Mr. Reginald J. Knapp, *G. C. Haas & Co.*, New York; Mrs. Clifford G. Remington; Mr. Clifford G. Remington, *Hess, Grant & Remington*, Philadelphia; Mrs. Reginald J. Knapp; Mr. Joseph R. Dorsey, *Bache & Co.*, New York; Mr. John S. Barker, *Lee Higginson Corp.*, New York; Mr. Edgar A. Christian, *Suplee, Yeatman, Mosley Co.*, Philadelphia

Mrs. T. L. Hartley; Mrs. Edwin L. Beck; Mr. Edwin L. Beck, *Commercial & Financial Chronicle*, New York; Miss Carolyn Beck; Mr. Harry J. Hudepohl, *Westheimer & Co.*, Cincinnati; Mrs. Harry J. Hudepohl; Mr. D. E. (Ted) Beattie, *D. E. Beattie Co.*, Seattle; Mrs. D. E. Beattie; Mr. T. L. Hartley, *Wm. P. Harper & Son*, Seattle

Mr. Joseph Bronemeier, *Scherck Richter Co.*, St. Louis; Mr. Samuel E. Magid, *Hill, Thompson & Co.*, New York; Mrs. Joseph Bronemeier; Mr. Richard H. Walsh, *Newhard Cook & Co.*, St. Louis; Mrs. S. J. Sanders; Mr. A. O. Foster, *Foster & Marshall*, Seattle; Mrs. Richard H. Walsh; Mr. S. J. Sanders, *Foster & Marshall*, Seattle; Mrs. A. O. Foster

Mr. Roger Freeman, *Pacific Northwest Company*, Seattle; Mrs. Harry J. Wilson; Mr. Harry J. Wilson, *Harry J. Wilson & Co.*, Chicago; Mrs. Robert S. Hendries; Mr. Robert S. Hendries, *Pacific Northwest Company*, Seattle; Mrs. Joseph E. Smith; Mr. Joseph E. Smith, *Newburger & Co.*, Philadelphia; Mrs. Paul Johnson; Mr. Paul Johnson, *Blyth & Co.*, Seattle; Mrs. Roger Freeman

Mr. Jack E. Jones, *Blanchett, Hinton & Jones*, Seattle; Mrs. Edward H. Welch; Mr. Josef C. Phillips, *Pacific Northwest Co.*, Seattle; Mr. Edward H. Welch, *Sincere & Co.*, Chicago; Mrs. Josef C. Phillips; Mr. Frederic J. Blanchett, *Blanchett, Hinton & Jones*, Seattle; Mrs. Terry J. Critchett; Mr. Terry J. Critchett, *Blanchett, Hinton & Jones*, Seattle

Mr. Jack I. Rohde, *John R. Lewis, Inc.*, Seattle; Mrs. Edward J. Kelly; Mr. Edward J. Kelly, *Carl M. Loeb, Rhoades & Co.*, New York; Mrs. Jack I. Rohde; Mr. Larry W. Sisson, *Pacific Northwest Co.*, Seattle; Mrs. Larry W. Sisson; Mr. John Packo, *Hill, Darlington & Co.*, Seattle; Mrs. John Packo; Mr. Barney Nieman, *Carl Marks & Co., Inc.*, New York

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Letter to Messrs. Nixon and Kennedy From a Security Salesman

DEAR SIRS:

One of you is going to be elected President of the United States on Nov. 8. In addition to the farmers, organized laborers, school teachers, people over 65, those with physical ailments, those with income of less than $5,000 a year, foreigners of all kinds, there are 12,500,000 stockholders in American business.

These stockholders are a peculiar breed. The bulk of them deny themselves extra trips to the bowling alley, out-board motors, swimming pools, and two servings of ice cream in order to save some money so they can risk it by investing in the thousands of souless corporations that exist in this country. This money is invested in buildings, tools, and management skill so that people can have jobs, create the things we need, and then you politicians can tax their salaries so that you may spend it on foreign aid, jobs for bureaucrats, subsidies to farmers, and other sundry activities

If the corporations in which they risk their savings make a profit, you politicians take from 30% to 52% of that profit. Then if there is anything left, and the stockholders receive part of that profit in dividends, you boys tax them again, from 20% to 91%. If the shares they own in these corporations advance in price, and the holders wish to dispose of them, you tax the profit they make. If the shares are held less than six months, you tax them at their regular rate based upon their income tax payments which can be anywhere from 25% to 91% again. If they hold these shares over six months, you generously tax only a maximum of 25% of their profit.

But, gentlemen, these investments in corporation stock do not always produce a profit. More often than not they are also sold at a loss. These losses the stockholders absorb, except that you allow them to charge off $1,000 a year against earned income for income tax purposes. They can carry the remaining $4,000 of the $5,000 allowed, ahead for another four years. This is what is called a "heads I win, tails you lose" deal, but in these United States today it is obviously considered justice by our government.

The Stockholders Are Not Patriotic

Quite frankly, you both have missed a bet. You should denounce the stockholders of America as unpatriotic citizens. Why should the farmers be neglected, they need several billions more in subsidies? Why should we neglect our obligations to the rest of the countries in the free world? We have only given other nations $100,000,000,000 (that's right, it's billions) during the past 20-odd years? They need more and they should have it. We must keep on buying their friendship, otherwise they won't like us, and we won't want that, now will we?

Then how about the union boys? They are not receiving high enough wages. Three, four and five dollars an hour is just not equitable for the millions of good staunch Americans who toil about 40 hours a week in our electrified mills and factories. They should receive twice that. Get it from the corporations and leave the stockholders holding the bag, they won't complain. The latter have been sullenly voting Democrat and Republican for the past 25 years and they will do it again. If there should be anything left after the union boys get through, tax these stockholders once more. Put another tax on the amount that these corporations set aside for reserves for depletion and depreciation. Who cares about such things, they are only bookkeeping items anyway. Then take this money and give it to the farmers, school teachers, foreigners and the under-privileged wharf rats. Neither of you has mentioned it in your campaign, but if you will look up the statistics you will find that wharf rats are among the most neglected living things on earth. They should certainly not be excluded by any humane administration in this day and age in these United States of America.

Such a program will certainly meet with the approval of all the uneducated economically illiterate, brain-washed, socialistic Democrats and Republicans who in the majority make up the present voting population of this great nation. You have nothing to lose —the stockholders of America only number 12,500,000 people. They are the workers, savers, and risk-takers, and they have no place to go in this election. So why not just eliminate them once and for all.

Sincerely yours,
JOHN DUTTON

P. S. I know these stock buyers and investors, they never squawk, so strip them clean, who needs them anyway?

Jack Kleiner Opens

Jack Kleiner is conducting a securities business from offices at 223 Second Avenue, New York City.

A. Mehrbach Opens

WASHINGTON, D. C.—Albert Mehrbach, Jr. is engaging in a securities business from offices at 5805 Bent Branch Road.

W. R. O'Hara Opens

CANANDAIGUA, N. Y.—William R. O'Hara is engaging in a securities business from offices at 331 South Main Street.

Jones Named V.-P. Of FIF Assoc.

FT. WORTH, Texas — Robert C. Jones of Fort Worth, Texas, has been appointed Vice-President-Sales of FIF Management Corporation and FIF Associates, Inc., according to an announcement made by Charles F. Smith and J. William Tempest, Chairman of the Board and President, respectively, of the two companies.

Formerly Area Sales Vice-President, Mr. Jones' new responsibilities will place him in charge of over-all planning, administration and coordination of all of the sales elements of both of the above corporations. In this position, he will work closely with the General Sales Manager to expand and intensify the organization's vigorous, nationwide sales program.

Mr. Jones has been associated with the FIF organization since 1954.

Form Paramount Associates

Paramount Associates is engaging in a securities business from offices at 2 Park Avenue, New York City. Partners are Morris A. Yassky, Harold Yassky and Larry E. Goldstein.

Bowling Tournament Winners At NSTA Convention

The following were the winners in the Bowling Tournament held during the Convention of the National Security Traders Association at Sun Valley, Idaho:

Open Bowling

Men

Hi single—Jack Barker, Lee Higginson Corporation, N. Y. 210
Hi series—Jack Weller, The Weller Company, Los Angeles 508

Ladies

Hi single—Margaret DeShong, Dallas Rupe & Son, Inc., Dallas 211
Hi series—Marianne Hardy, First Boston Corporation, Phila. 499

All Evenings

Men

Hi single—Ralph Dahl, Evans MacCormack & Co., Los Angeles 211
Hi series—Harry Hudepohl, Westheimer and Co., Cincinnati 165*

Ladies

Hi single—Betty Hudepohl, Westheimer and Co., Cincinnati 166
Hi series—Betty Goodfellow, J. A. Hogle & Co., Los Angeles 146

Low Game

Men

Nathan A. Krumholz, Ogden, Wechsler & Krumholz, N. Y. 83

Ladies

Anita Nevins, Lester, Ryons & Co., Los Angeles 62

East-West Match

Hi single—Herbert Beattie, H. A. Riecke & Co., Inc., Phila. 180
Hi series—John Barker, Lee Higginson Corporation, N. Y. 172†

East won the match—Members of the team were John Barker, Lee Higginson Corporation; Rubin Hardy, First Boston Corporation, Philadelphia; John Ohlandt, New York Hanseatic Corporation, New York; Herbert Beattie, H. A. Riecke & Co., Inc., Philadelphia, and Harry Hudepohl, Westheimer and Company, Cincinnati.

Inter-City Championship

Won by the Chicago team, consisting of Frank Cummings, Bear, Stearns & Co.; Lester J. Thorsen, Glore, Forgan & Co.; Robert Williams, Weeden & Co.; Richard Werneck, Burton J. Vincent & Co., and Charles Scheuer, Wm. H. Tegtmeyer & Co.

Best All Around Bowler—Silver Cup

Ralph Dahl, Evans MacCormack & Co., Los Angeles—211 hi single and 168 plus average in all events.

*Plus average. †Average.

What Do We Know About Candidates' Money Policy?

Continued from page 1

then? This is the money issue in politics that has always been with us and perhaps will always be with us. A careful reading of the record which follows leads to no different conclusion.

In the broad sense of the word today, "money" means currency and bank credit; folding money, change, and check-book money. Domestically we have a managed currency system. The principal managers are the Federal Reserve Board and Federal Open Market Committee. The Fed is bipartisan and legally independent, although necessarily it operates in consultation with the Treasury. It is not part of the administration in power. Yet in recent years most of the debate over "tight money" and "high interest rates" has centered on the Fed. All too frequently no distinction is made between the Fed and the present administration, since their policies have generally — although not invariably—been harmonious.

The Eisenhower Administration's pursuit of a "sound dollar" has made a special point of allowing the interest rate to function as a rationer of credit in times of active demand and avoiding artificial monetary ease in such times. Most of the past two terms the country has been concerned with inflation — a rising price level. Early in 1959 the President named Vice-President Nixon to head the new President's Cabinet Committee on Price Stability for Economic Growth. The latter released "an interim report" on June 29, a statement on Aug. 17, a second report on Sept. 7, and others on Oct. 25, 1959 and April 17, 1960. Their line of reasoning is well known.

Equally familiar is the view of the liberals among the Democrats that the money supply, as reflected in interest rates, has not been expanded enough; that this has retarded our economic growth. With the election almost upon us, it is of interest to explore the monetary and economic philosophies of the two men, one of whom will shortly have behind his views the enormous prestige of the Presidency. How the dollar will fare under the one or the other depends not only on his monetary policies, but on other economic and political policies such as public works, spending and taxation which are reflected in the budget. Budgetary surpluses and deficits in turn influence confidence in the dollar here and abroad, capital movements, gold flows and Federal Reserve actions.

From the Platforms

Both platforms stress economic growth. The Republican platform advocates quickening the pace of our economic growth and accords "high priority to vigorous economic growth." At the same time it aims at "maintenance of a stable dollar as an indispensable means to progress." It does not mention full employment as a goal, but says "we must raise employment to even higher levels." In other words, it does not put full employment ahead of the dollar's stability, recognizing—by implication—the inflationary bias of full employment.

In its discussion of government finance the Republican declaration of policies underscores again "a dependable currency" and "protecting the value of their [the people's] money." The Democratic charges of "tight money" and "high interest rates" the Republicans meet with this plank:

"We must resist assaults upon the independence of the Federal Reserve System and the Treasury Department to exercise effective control over money and credit in order better to combat both deflation and inflation that retard economic growth and shrink people's savings and earnings."

The Democratic platform pledges achievement "without inflation" of a growth rate averaging 5% annually, "almost twice as fast as our average annual rate since 1953." "As a first step in speeding economic growth, a Democratic President will put an end to the present high-interest, tight-money policy, . . . this philosophy of economic slowdown." Inflation, the document states, has varied causes and remedies. Among those remedies are "monetary and credit policies properly applied, budget surpluses in times of full employment, and action to restrain 'administered price' increases in industries where economic power rests in the hands of a few."

In a separate plank the Democrats reaffirm "support of full employment as a paramount objective of national policy." They promise to "reduce current unemployment to a minimum. Thereafter, if recessionary trends appear, we will act promptly with counter-measures, such as public works or temporary tax cuts. We will not stand idly by and permit recessions to run their course as the Republican Administration has done."

Federal Reserve's Independence

After supporting long-term Government bonds at par throughout the war and post-war periods, the Federal Reserve System by the accord of March 1951 ceased to be subservient to Treasury policy. Throughout the Eisenhower Administration, starting in 1953, Democrats have criticized the Administration's "tight" money policies and, particularly in the last few years, strong criticism by some members of the Democratic party has been aimed at the Federal Reserve, bringing into question the durability of its independence in the event of a Democratic victory in November.

In January 1960 Senator Kennedy, an inactive member of the Joint Economic Committee, went along with a majority report which listed "shortcomings" for which the Federal Reserve has major responsibility and recommended, **inter alia**, that the Fed abandon its so-called "bills only" policy; expand the money supply faster; and substitute open-market operations for reductions in reserve requirements, when easing credit. In February Senator Kennedy went along with the majority's 1960 Joint Economic Report, containing similar recommendations.

In view of the promises of easier money made on the Democratic side during this year's campaign, an article published in the *New York Times* of May 22, 1960, is of interest. There some of the Senator's close associates were reported as saying that Kennedy had decided not to advocate, during the campaign, that the Fed's independence be ended or diminished. Foreigners, the article correctly stated, would regard a subordination of the Fed to the Government as a step having inflationary implications. The article noted:

"Without control of the Federal Reserve no President can guarantee that he can bring about easier money and lower interest rates."

On the record, Sen. Kennedy backs easier money and lower interest rates. In February, at Eau Claire, Wisc., the present Democratic candidate said the Republicans had saddled the country with the "costliest policy in history," namely, "high interest rates and tight money." The cost of "this irresponsible, spendthrift policy," he said, was to be measured in small business failures, unbuilt private homes, unbuilt public works, the interest charges paid by the Federal Government and slowed - down economic growth. The Senator added the following observations, which seem not entirely consistent with the above-mentioned Joint Economic Committee statements, in which he joined:

"This costly tight-money policy can and must—be reversed. The techniques are available. They are well known. First, the Federal Reserve must overcome its reluctance to increase the supply of money. It can do this by purchasing Government bills now held by financial institutions. Second, there is no reason for an inflexible reserve requirement. When we need more credit in the economy let's permit the banks to expand credit. When we need less, we can increase the reserve requirement. Third, other techniques such as the Federal Reserve rediscount rates and open market operations should be used to control interest rates. Fourth, reduction of the national debt through sound fiscal policies will inevitably be reflected in reduced interest rates."

In California on July 10 on NBC television Kennedy was asked about his past emphasis on the country's economic slowdown. He commented:

"I think the policies of the Federal Reserve Board have been partly responsible for the slowdown. I don't think that there is any doubt that the high interest rate policies, hard-money policies, all the rest, have been partly responsible for the slowdown."

Kennedy said he would not curtail the Fed's independence, but he quickly added:

"I think the President and they could work closely together. I don't think there's any doubt about it. He has the influence and economic policy through the Treasury, the Council of Economic Advisers, his own public statements, his party in Congress, and I have no doubt that any new Democratic President will find the Federal Reserve pursuing a somewhat different policy. . . . No, I don't suggest you change the independence of the Federal Reserve Board, but what I do suggest, with a new President the Federal Reserve Board would pursue a definite [different?] policy.

Replies to Scripps-Howard Newspapers

Scripp-Howard Newspapers put to both candidates the following question: "Would you attempt to influence the policies of the Federal Reserve Board in an effort to reduce interest rates? Or for any other reason?"

The replies of the two candidates follow:

Reply by John F. Kennedy

Although I believe it would be folly to rely solely upon monetary policies as a safeguard against either creeping inflation or a recession, I believe it would be equally foolish to forswear the use of monetary controls.

These controls affect consumer spending, home building, business judgments, and other matters important to our economic health. The board of governors of the Federal Reserve System is given a degree of independence by the Federal Reserve Act, but it cannot be considered a fourth branch of the government.

It must bear in mind the economic objectives of the Administration, and I am confident that it would respond to leadership by the Administration.

In some instances, this will mean a reduction in interest rates; at all times the board and the President should work together to achieve national economic goals.

Reply by Richard M. Nixon

I deeply believe the Federal Reserve Board should continue to be free of political pressures in discharging its statutory role of exercising control over the nation's money, within its broad congressional mandate, and to use its soundest judgment in combatting inflation and deflation—twin economic evils which retard economic growth and jeopardize the savings and earnings of every American.

This is such a difficult and delicate task that it should be in the hands of professionals and not political people.

The suggestion that the executive branch should try to influence Federal reserve policy for purposes other than —and perhaps inconsistent with — the maintenance of reasonable price stabilty points up one of the most important campaign issues regarding economic policy.

I believe a reasonably stable price level is essential for economic health and rapid economic progress. Moreover, it is vital to preserving the dollar's position as the world's leading currency. An independent Federal Reserve Board now is helping achieve the goal of stable growth by following a wise policy of adjusting the money supply to the needs of the economy and of permitting interest rates to move in response to changing balance of financial needs and reserves.

We know opposition spokesmen are threatening to turn back the wheels of progress. They sound as if they plan to divert the Federal Reserve from its proper function to one of pumping up the money supply so as to peg interest rates at artificially low levels.

Such a policy, which was favored by the last Democratic Administration until it was forced by informed public opinion to abandon it in 1951, contributed tragically to the sharp inflation during the post-war years and inevitably would promote more inflation if again put into effect.

Senator Kennedy's reply does not conflict with his other statements quoted above. It clearly reveals that as President he would seek to influence the Board's actions if he deemed it necessary for the sake of furthering his economic policies. Mr. Nixon equally clearly adheres to the degree of Fed independence which has existed since the 1951 accord.

A Policy of "Retreads"

The Federal Reserve and monetary policy figured in the Nixon-Kennedy TV debates in October. On the 7th Nixon challenged his opponent on the matter of the Fed's independence, saying:

"Now, looking at Senator Kennedy's credentials, he is suggesting that he will move America faster and further than I will, but what does he offer? He offers retreads or programs that failed.

"I submit to you that if you look at his program, his program for example with regard to the Federal Reserve and free money or loose money, high or low interest rates, his programs in the economic field generally are the programs that were adopted and tried during the Truman Administration, and when we compare the economic progress of this country in the Truman Administration with that of the Eisenhower Administration, we find that in every index there has been a great deal more performance and more progress in this Administration than in that one.

"I say that the programs and the leadership that failed then is not the program and leadership that America needs now.

"I say that the American people don't want to go back to those policies and, incidentally, if Senator Kennedy disagrees he should indicate where he believes those policies are different from those he is advocating today."

A few days later, in addressing the Associated Business Publications Conference in New York, Kennedy explained how a Democratic Administration would use flexible monetary policy. On the Fed in particular he stated:

"But we must have a flexible, balanced, and, above all, coordinated monetary and fiscal policy. I do not, let me make clear, advocate any changes in the constitution of the Federal Reserve System. It is important to keep the day-to-day operations of the Federal Reserve removed from political pressures.

"The President's responsibility —if he is to lead—includes longer range coordination and direction of economic policies, subject to our system of checks and balances. And I believe the Federal Reserve Board—which during the last eight years has cooperated closely with this administration—would also corporate with future strong and well considered Presidential leadership which expresses the responsible will of Congress and the people."

Mr. Nixon sees control of the Fed closely linked with inflation. In the third Nixon-Kennedy TV debate on Oct. 13 Nixon expressed himself on Kennedy's views thus:

"Then he goes on to say that he is going to change the interest-rate situation and we are going to get some more money that way.

"Well, what he is saying there, in effect, [is that] we are going to have inflation. We are going to go right back to what we had under Mr. Truman when he had control of the Federal Reserve Board.

"I do not believe that we ought to pay our bills through inflation, through a phony interest rate."

Not to be outdone as an enemy of inflation, Kennedy later in the debate declared: "We've got to maintain a sound monetary and fiscal policy, we have to have control over inflation, and we also have to have a favorable balance of [international] trade."

Confidence in the Dollar

On the day the free market price of gold in London soared to $40.60 an ounce, October 20, Mr. Nixon warned that a Democratic election victory based on the cheap-money program might cause a flight from the dollar and a world gold crisis.

"Those in opposition who loudly demand very easy credit and artificially low interest rates, at all times and all places," he said, "are practically inviting foreign banks and investors to pull out the billions of dollars that they now hold here on deposit or in short-term paper.

"If such a sequence of events should ever develop as a result of cheap money dogmatists coming to high public office, a totally stupid and unnecessary gold crisis would be brought on — which could have disastrous consequences, not only for America but for the entire Free World."

At the same time Nixon revealed that as President he would create a "national economic council" to advise him, different from any proposed by Senator Kennedy. He stated that he wanted to make it very clear that the council would "infringe in no way on the independence of the Federal Reserve System, which is something the opposition seems bent on doing and which is already causing concern in responsible circles both in our country and abroad."

Money and the Economy: Kennedy's Prescription

During the past 7½ years we have seen how the Republicans use monetary policy. How would a Kennedy Administration, which disapproves of the Republican record, use it? Senator Kennedy tells us in his October 12 New York speech, as follows:

"What changes are needed? What policies would be successful?

"First, a Democratic administration would use monetary policies more flexibly than the Republicans. The Republicans adopted the seemingly simple and easy policy of tightening interest rates when demand was strong and prices were rising—a principle that requires allowing rates to fall when the economy needed stimulation. But the facts of the matter are that each successive peak and each successive valley in the economy has ended with higher and higher interest rates—with the result that paradoxically high rates accompanied heavy unemployment, low production and a slack economy.

"For this policy has not worked. By periodically cutting back on investment, it has held back on a normal, healthy rate of growth. By staying tight too long, as it did in the fall of 1957, when the storm signals were already flying for the recession of 1958—by the Federal Reserve Board's tight credit—by the defense stretch-out of 1958—it helped to bring on that and other recessions. And by penalizing most those who must borrow from banks for investment or home building, it is weighted in favor of the larger corporations, which have access to the open market or which can invest from their own earnings.

"A Democratic administration would not rely upon lopsided monetary policy. It would maintain greater flexibility for investment, expansion and growth. It would not raise interest rates as an end in itself. Without rejecting monetary stringency as a potential method of curbing extravagant booms, we would make more use of other tools.

"Secondly, and in this connection, we would use the budget as an instrument of economic stabilization. I believe that the budget should normally be balanced. The exception, apart from a serious or extraordinary threat to the national security, is serious unemployment. In boom times we would run a surplus and retire the debt. When men and plant are unemployed in serious numbers, the opposite policies are in order. We should seek a balanced budget over the course of the business cycle, with surpluses during good times more than offsetting the deficits which may be incurred during slumps."

Thus Kennedy promises a government of good financial intentions, as has many a government, here and abroad, over the decades. In budgetary matters, all the world knows, promise is much easier than performance.

Kennedy on Inflation

Interviewed on Oct. 16 on NBC-TV's Meet the Press, Senator Kennedy was asked: "Senator, you've been criticizing the inflation in the Eisenhower years, the shrinkage of the dollar. What would you do to halt inflation or to give us a stable dollar?" He replied:

"Well, I don't feel that we have been able to attain such a limit on the increase in the cost of living which would warrant the Administration pursuing with such vigor the high-money, tight-interest rate policy. I think that's been deflationary on the one hand which has helped cause the recession of '54, intensified the recession of '58, contributed to the slowdown of 1960 and on the other hand has not held down the cost of living very satisfactorily. I would therefore feel that a greater stimulation to our economy to provide fuller use of our facilities and all the rest would provide sufficient price competition to maintain a reasonable stability in the dollar. You may get some inflation because historically we gradually had inflation. The problem is to keep it in balance with our increase in our productive capacity and increase in our gross national product."

What the Senator means by the last sentence is not altogether clear. "A little inflation . . . gradually" does not seem to concern him. Perhaps he means that our money supply, rather than prices, should grow with the "real" volume of our GNP.

Politics and Performance

Political platforms and electioneering speeches are drafted with the aim of pleasing as many groups and garnering as many votes as possible. They should not be expected to be carried out in full detail. Indeed their wording is often purposely ambiguous and general. Candidates always claim to be for the economic and financial virtues. They are all "against sin." But when the victor takes office the platform and the candidate's own statements of policy tend to lose importance as compared with current exigencies. What happens as to credit policy under the next President will depend not only on the philosophies expressed during the campaign but also on circumstances not now foreseeable.

The subjoined excerpts from financial planks of various past party platforms will give a historical background to the 1960 campaign.

Money Planks in Earlier Platforms

Since the campaign of 1856 the money question has repeatedly been raised in successive political platforms. Whereas, today prominence is given to the rate of interest, earlier campaigns built the money plank on gold and silver policy, currency redeemability and the like. Basic to the money issue throughout the past century has been the struggle over expansion of the supply of money. This is the issue of "tight money" vs. "too easy money" or inflation today.

The 1856 Democratic platform resolved "that Congress has no power to charter a national bank; that we believe such an institution one of deadly hostility to the best interests of the country, dangerous to our republican institutions and liberties of the people, and calculated to place the business of the country within the control of a concentrated money power and above the laws and the will of the people," etc. The 1856 Republican platform was silent on this subject.

In 1868 the Democrats pledged "one currency for the government and the people, the laborer and the officeholder, the pensioner and the soldier, the producer and the bondholder." The Republicans, referring to the suspension of specie payments then in effect, denounced "all forms of repudiation as a national crime." In 1872 the Democrats urged "a speedy return to specie payment," as required by "the highest considerations of commercial morality and honest government." Four years later they denounced "the failure, for all these eleven years of peace, to make good the promise of the legal-tender notes, which are a changing standard of value in the hands of the people, and the non-payment of which is a disregard of the plighted faith of the nation. . . . We denounce the financial imbecility and immorality of that party which . . . has made no advance toward resumption. . . ."

During the 80's "honest money of gold and silver" was the cry. Silver mining was being subsidized by Treasury purchases under the Bland-Allison Act of 1878, which was succeeded by the increased tempo of the 1890 Sherman silver purchase act. The silver program brought about a monetary and political crisis, causing President Cleveland to convene the Congress in special session in 1893 for the repeal of the silver act. All this was reflected in the political platforms.

In 1896 Bryan came to the fore. The Democratic platform carried a long, pro-silver money plank. Also, it opposed "the issuing of interest-bearing bonds of the United States in time of peace and condemn the trafficking with banking syndicates, which, in exchange for bonds and at an enormous profit to themselves, supply the Federal Treasury with gold to maintain the policy of gold monometallism." Furthermore, it denounced the issuance of national bank notes, quoting President Jackson to the effect that that function was by the Constitution reserved to the Government. The Republican platform, naturally, was "unreservedly" for "sound money." It took credit for the resumption of specie payments in 1879, since which date "every dollar has been as good as gold."

In 1900 the Democrats reaffirmed their bimetallic credo and criticized "a permanent national bank currency secured by Government bonds." The Republican platform that year declared confidence in the Gold Standard Act of 1900 and recognized "that interest rates are a potent factor in production and business activity." It favored "further equalizing and further lowering" interest rates.

The panic of 1907 got attention in the 1908 platforms, the Democrats criticizing the recent emergency currency law. Any emergency currency needed should be issued by the Federal Government the platform said. The Republicans, seeking to avoid repetition of "the recent financial disturbance," endorsed the emergency law and pledged creation by the Congress of a National Monetary Commission, looking toward "a more elastic and adaptable system" of money and credit, every dollar of which should be "based upon and as good as gold."

The National Monetary Commission came into being. Out of its report of 1912 emerged, although in altered form, the Federal Reserve System, by the act of 1913. The 1912 Democratic money plank was caustic about the Aldrich Bill and the money trust; the Republicans were again for "sound money and safe banking methods." "Our banking and currency system must be safeguarded from any possibility of domination by sectional, financial or political interests," it added.

Positions Reversed Regarding the Fed

The performance of the Federal Reserve System during World War I was proudly hailed in the Democrats' 1920 platform. It warned the people to guard against attacks on the system from those who had opposed its adoption and sought to "retain in the hands of speculative bankers a monopoly of the currency credits of the Nation." It noted that "the nonpartisan Federal Reserve authorities have been wholly free of political interference or motive; and, in their own good time and their own way, have used courageously, though cautiously, the instruments at their disposal to prevent undue expansion of credit in the country." This was perfectly true during the administration of Wilson, who most scrupulously avoided any semblance of interference with the Fed. The same platform condemned "the pernicious attempt of the Republican Party . . . to drag our public finance and our banking and currency system into the arena of party politics." Forty years have wrought great change in the Democratic policy in this regard.

The Republicans' 1920 platform held that the Fed should be free of political domination as well as of that of financial combinations. It noted that the war had been financed by inflation, saying that this policy had been continued since the war, and that "almost up to the present time the practices of the Federal Reserve Board as to credit control have been frankly dominated by the convenience of the Treasury." One might think today that this had been written in early 1951 instead of 1920.

Skipping now to the 1932 Democratic declaration we read:

"We believe that a party platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe. . . . The Democratic party solemnly promises . . . maintenance of the national credit by a Federal budget annually balanced. . . . We advocate a sound currency to be preserved at all hazards and an international monetary conference . . . to consider the rehabilitation of silver and related questions."

That year's Republican platform stood for the gold standard and against currency inflation. Twenty years later the proclaimed Republican aim was still the gold standard: "a dollar on a fully convertible gold basis," while the Democrats aimed at "prosperity and growth" and "maximum employment, production and purchasing power."

In 1956 the Democrats charged that "the Republican debt management policy of higher interest rates served only to benefit a few. . . . We pledge ourselves . . . to a vigilant review of our debt management policy in order to reduce interest rates." The Republican platform promised gradual reduction of the national debt, claimed the stemming of inflation, and endorsed "freedom for the Federal Reserve System to combat both inflation and deflation by wise fiscal policy." It plunked again for "sound money, which retains its buying power," but without mentioning gold. In 1960 neither platform mentions gold.

Thus, flipping the pages of the past, we see that the money question can usually be sure of a place in a political campaign.

But a party platform cannot be relied upon as a prophetic blueprint of future actions.

North Ohio IBA Group Elects

CLEVELAND, Ohio—The Northern Ohio group of the Investment Bankers Association of America has elected Herman B. Joseph, Joseph, Mellen & Miller, Inc., Cleveland, Chairman for the coming year, succeeding Thomas A. Melody, Merrill, Turben & Co., Inc.

Fred W. Hudson

W. Yost Fulton

Herman B. Joseph

Two governors of the Investment Bankers Association will be named by the Northern Ohio Group. Fred W. Hudson, Ball, Burge & Kraus, and W. Yost Fulton, Fulton, Reid & Co., Inc., have been nominated and will be elected at the annual convention of the I. B. A. in December.

Other officers elected by the Northern Ohio Group were Neville Walker, Braun, Bosworth & Co., Inc., Toledo, Vice-Chairman, and O. John Kuenhold, Paine, Webber, Jackson & Curtis, Cleveland, Secretary-Treasurer. Franklin B. Floyd, Curtiss, House & Co., William H. Watterson, Fahey, Clark & Co., Frank L. Marshall, The First Boston Corporation, Carl H. Doerge, Wm. J. Mericka & Co., Inc., Harrison C. Frost, Jr., Hayden, Miller & Co., and Harold K. Hutchinson, Ball, Burge & Kraus, were named to the groups' Executive Committee for the coming year.

Mr. Frost was appointed to head the group's Invest-in-America program, and Mr. Hutchinson was named Chairman of the Municipal Committee.

Hardaker Joins AF-GL, Inc.

Robert L. Hardaker has joined the Chicago office staff of Albert Frank-Guenther Law, Inc. as a public relations account executive, it was announced by Gilbert E. Busch, Vice-President and director of public relations of the national advertising and public relations agency.

Mr. Hardaker formerly was a partner in the Chicago public relations firm of Hardaker/Gunderson for four years, prior to which he was a Vice-President and account executive with the Jos. W. Hicks Organization, Chicago public relations firm, from 1952 until it was disbanded in 1956.

Mr. Hardaker is the former owner and editor of the Shelbyville (Ill.) News, and a former correspondent for the Chicago Daily News, St. Louis Dispatch and other mid-West newspapers.

Forms Pickard & Co.

NEWTON SQUARE, Pa.—Pickard and Company has been formed with offices on Goshen Road to engage in a securities business. Partners are John Pickard and Peter S. Pickard.

International Associates

ROCKVILLE CENTRE, N. Y.—International Associates are engaging in a securities business from offices at 53 North Park Avenue. Partners are Irving L. Bernstein, Harold Grossman, Bernard Korn, Herman Lazarus, George H. Hamilton and Murray Weiss.

S. Lieberman Opens

Shep Lieberman is conducting a securities business from offices at 130 West 42nd Street, New York City.

Odzer Opens Office

Harry Odzer has opened offices at 67 Broad Street, New York City, to engage in a securities business

S. Bachner Opens

BROOKLYN, N. Y.—Shalon Bachner is engaging in a securities business from offices at 196 Marcy Avenue. Mr. Bachner was formerly with Eisele & King, Libaire, Stout & Co. and Ira Haupt & Co.

AS WE SEE IT Continued from page 1

our mass production techniques and all our mechanization have not succeeded in counter-balancing the higher wages and various working restrictions that prevail in our business world. And the situation tends to grow worse and worse as time passes. It is only by reason of certain advantages in the matter of raw material costs and the like that we are able to do as well as we do in competition with the revived industries of the leading European and Japanese producers. In view of the favored political position of our labor unions, it is hardly strange that so many of our business leaders try to obtain relief from higher costs (at least in their home market) by means of higher tariffs and other restrictions upon imports.

But if we are to obtain real relief from our balance of payments difficulties we shall have to find some way to get our costs down in more comfortable comparison with those of the producers in other lands with whom we must compete, both in world markets and in one degree or another right here at home. The problem is in appreciable part at least one of public policy. The labor unions are favorites of the political gods, and all too often up to this time seem to have about the same status with the great rank and file. It is extremely unfortunate that labor leaders themselves are unable to see the handwriting on the wall, and thus be persuaded to take the initiative (along with management) in developing ways and means of reducing costs. There can not be the slightest doubt that their union membership must sooner or later suffer as much if not more, than the rest of us if some way is not found to right this situation.

In another respect, too, our experience is teaching us that we can no longer ignore what is taking place in other parts of the world. There was a time when most of the major economic powers of the earth were flattened by war and unable to give us trouble. We were living in something that approximates what the economist calls a "closed economy." In those days we were able with relatively little damage from abroad to tinker with our banking and credit system more or less as we pleased. The influence of foreign funds, and of the operations of foreign financial groups, was so small, relatively speaking, that we were able to ignore interest rates in other countries and manipulate ours to suit ourselves. That time has evidently passed. There not only now are substantial amounts of interest sensitive funds under foreign control, but a good many countries are now on what may be termed a dollar exchange basis and have grown sufficiently independent of the dollar to shift their holdings if and when conditions—including interest rates—seem to warrant it.

Our Money Rates Out of Line

There have of late been some indications of a recession in business in this country, and the Reserve authorities have felt it encumbent upon them to ward it off—or try to do so—by means of artificially cheap money—not as cheap as apparently the Democratic party bosses and political leaders would like, but at a level which is internationally out of line. Along with the other factors, some of which we have already mentioned, this was quite enough to draw funds from New York in substantial volume and remind us, so we must hope, that we no longer live in a world alone. It has now become almost a gospel tenet in this country that action of this sort by the credit authorities is necessary—and sometimes at least sufficient—in the early stages of any recession. How such a policy is to be effected in an economy that is in close financial contact with the world, and subject to the stresses and strains incident thereto, has not been adequately explained. In point of fact, many who preach such a doctrine are in the habit of ignoring this aspect of the matter altogether. From this time forward it may not be so easy to look the other way.

Still a third aspect of this situation is one which has been the subject of a good deal of discussion and some concern in Washington. It is this: How long can we continue to carry so large a part of the world—now particularly the underdeveloped parts of the world—upon our financial shoulders. The question is whether other large powers which presumably are as much interested as are we in preserving the peace and keeping communism within bounds must not now take up a much larger share of this load. In point of fact, it may well prove that they will be obliged to do some such thing if the backward nations are to be dealt with as liberally as they have been in the past. If the solution to world problems is not to be found in this direction—and there may well be those abroad who have their doubts about its effectiveness—then we shall have to find other means of pursuing the path of world pacification.

Recent gyrations of the price of gold in London should serve to remind us of these things.

Full Speed Ahead In the Selling Sixties

Continued from page 3

than double, advancing from today's $20 billion to $48 billion.

Obviously we cannot deliver more gas to more customers without huge additions to our systems. During the Sixties, we'll spend nearly $28 billion for construction and expansion—twice our outlays in the Fifties. Even allowing for inflation, this will buy our pipeline and utility companies a lot of new facilities.

We are excited about these potentials, but we're also realistic enough to recognize that forecasts merely suggest what tomorrow can be. For all the optimism I see in our industry, I know we don't intend to sit and wait for manna to fall from the heavens. We will create our own opportunities.

The pressure is on us to build upon the firm foundations established in the past several years—and we must do it now. We must move forward at full speed or risk being left behind by competitors whose pace might be swifter.

Warns of Keener Competition Ahead

For more than a year now, all of us have heard the business and financial experts say that the Nineteen Sixties will be the most competitive period in American history. Nowhere will this competition be keener than in the energy branch of the public utility business.

Despite their positions in a franchised and closely regulated industry, utility companies already are competing at fever pitch in a race to determine who gets the lion's share of tomorrow's energy market. And, to make it a four-cornered affair, the oil and coal industries also are in the running.

This is not mortal combat in the sense that the winner will take all and the vanquished will immediately retire to die of their wounds. Anticipated consumer demands for all forms of energy will be much too great to permit this. But it is certain that the winner will emerge with more strength, with a higher rate of growth, and with much greater appeal to the financial community.

I am convinced the keys to the future of our industry are expanded research, greater product improvement and aggressive sales promotion.

The gas industry has long recognized appliance improvement and the hard positive sell as major growth-building activities. New evidence of their significance is pointed up in a recent A. G. A. estimate of the market potential for gas appliances.

Our market analysts tell us that gas utilities and appliance dealers can sell from 51 to 57½ million gas appliances in the next five years alone. The higher figure represents what we can reach by stepping up the pace of product development and sales promotion. Certainly we will not be content to settle for 51 million when, by exerting greater effort, we can boost sales by at least 10%!

In this whole process of looking ahead, every prediction we make, and every goal we set, is contingent upon one overriding consideration—the continued and increased acceptance of gas by the consumer. We have no greater calling than to keep the public aware of the indispensable place of gas in home, commerce and industry. We must tell the people—tell them about our new products, tell them over and over again, and tell them in ever-increasing numbers of the compelling advantages of gas.

This bright new decade has been called the "Selling Sixties." I doubt if any could be more aware of this truth than those of us in the business of selling fuels. In the short 12 months during which I have held office in A. G. A., the pace of competition has shifted into a new and higher gear. Nowhere is this more evident than in the struggle for the consumer's dollar.

Fortunately for the gas industry, we have the means to meet this competition. We are meeting the competition — with A. G. A.'s Promotion Advertising and Research Program, better known as PAR.

Through PAR's national advertising and television programs, the gas industry has developed a strong and dynamic voice directed to the consumer. I sense an increasing awareness among the leadership of our industry, an awareness of the mounting importance of this national advertising on behalf of gas. And I'm especially encouraged by the extent to which gas utilities are using A. G. A.'s national advertising, building upon its themes and merchandising this advertising in their own local campaigns.

Advertising Pays

Inside and outside our industry, one feels the groundswell of interest. Everywhere there is a healthy spirit of urgency developing over this business of selling our product to the consumer. And, with each passing month, the public is being exposed to an ever-increasing tide of gas advertisements and commercials.

The cornerstone of this new era of gas promotion was set in place four years ago with the establishment of the National Gas Industry Television Program, under which we began sponsoring "Playhouse 90."

As a program, "Playhouse 90" served us well. When it was announced last spring that the show would not be regularly scheduled this season, however, it was decided to adopt a different approach.

On September 19, we entered the new television season with a new program — the "Barbara Stanwyck Show," presented Monday nights by NBC-TV under A. G. A. sponsorship. In addition to her role as hostess for the series, Miss Stanwyck appears in almost every show accompanied by top stars. And, while our program is new, our gas commercials continue to be delivered by the most effective sales personality in all of television—Julia Meade.

We also have speeded up the tempo of commercial and industrial sales promotion, reaching out to win even more customers in these markets which now use nearly two-thirds of all the gas we sell.

We will continue to broaden our activities in these two important fields, not only through magazine and direct mail advertising but through expansion of the group selling technique. This includes our A. G. A.-sponsored symposiums in the textile, glass and heat-treating industries, our work with trade associations in the commercial area, and participation in their important national conventions and shows.

While this new decade has been called our "Selling Sixties," it also will be our greatest decade of research and development. And we need not look far for evidence of our industry's response to the technical challenge of the Sixties. Even the hastiest inspection of our exciting Festival of Flame will reveal the increasingly greater emphasis this industry is placing on gas research and product development.

Today, we have domestic gas ranges with ovens that can hold a full meal at serving temperature for hours.

We have through-the-wall gas water heaters that require no vent or chimney connection.

Our gas infra-red burners cook home and restaurant meals in half the time, make outdoor areas as warm as all indoors, and perform dozens of high-speed industrial baking and heat-treating operations.

We have large commercial water heaters which use a new heat-transfer principle and eliminate scaling and corrosion problems.

And our modern gas lights include exotic luau torches, handsome new advertising signs, and automatic models that turn themselves on and off.

Intriguing, too, are these hints of what to expect in tomorrow's appliances:

Flush-top ceramic burners, for range-top cooking without utensils.

Portable gas appliances, which may be plugged into handy convenience outlets.

And "thermo-catalytic" burners, which contain the combustion of gas-air mixtures inside tubes that can be formed into any desired shape for use whereever heat is needed.

Gas to Generate Electricity

More intriguing still are the possibilities suggested by the development of efficient methods of using gas for the direct generation of electric power.

One of these is the thermoelectric method, by which current is produced when one terminal of a thermocouple, or junction of two dissimilar metals, is heated by a gas flame. The second method employs the fuel cell, which generates electricity from a chemical reaction in which gas is a principal ingredient.

These and many other fascinating vistas will open as the gas industry moves farther into its new age of research and development, an age in which we expect to see the industry's technical activities triple within five years.

This year, A. G. A. is spending nearly $2½ million for cooperative research under the PAR Plan. By 1965, we hope to be channeling about $6 million a year into research. This was recommended by Battelle Memorial Institute after a comprehensive study of gas industry research.

Battelle further decommended that total research expenditures of the entire gas industry be steadily increased to at least $14½ million a year by 1965. This would include research spending by manufacturers and gas companies, as well as funds spent for PAR research.

These are big figures, especially in the light of what we've been investing in research in the past. But we're not talking about goals it would be nice to reach. These are goals which independent research experts tell us we must reach just to keep pace with the competition.

Now, let me emphasize that

there are many excellent research and development programs being conducted by a number of our manufacturers and gas companies. These vitally important activities are giving us tremendous strength, and they present dramatic evidence of faith in the future of gas. It is hoped these programs will become even stronger and more numerous.

We must increase our encouragement and support of those outstanding manufacturers who, on their own initiative, are improving their products through research, and are aggressively promoting and advertising gas and gas appliances. And we should continue to encourage those suppliers and equipment manufacturers who are jointly sponsoring the GEM national advertising program of the Gas Appliance Manufacturers Association.

We also should give encouragement to the large manufacturers who have recently joined us. Their development programs and tremendous advertising power help create greater acceptance for the products of all gas appliance manufacturers, both large and small.

But let's make sure that our selling of gas does not end with advertising and promotion. Changing markets call for changing techniques, and today's market calls for a return to merchandising by the gas utilities. Let me stress that utility merchandising is not and cannot be a substitute for a strong dealer program. In the retailing of appliances to the consumer, however, only the gas utility has the incentive to sell gas. Only the gas utility will put the emphasis on the "top-of-the-line."

Utility merchandising is our one assurance of making the sale at the point-of-sale. A total selling effort such as this — in promotion, in advertising and in retailing—holds the key to the full potential of our residential load.

And finally, as others have said, we must convince every gas producer, utility, pipeline company and manufacturer that the industry's problems are their problems also, that we are a national group of companies with a common purpose—and that purpose is to sell gas.

This matter of preparing for tomorrow brings to mind the words of John Galsworthy, who said, "If you cannot think about the future, you cannot have one." Not only thoughts but specific plans for the future are the direct concern of A. G. A.'s Gas Industry Development Committee.

This year, the G. I. D. Committee has studied and is studying all phases of the gas industry to determine where the industry is going, and to recommend what the industry should aim for in the future—what its goals should be. From these studies will be developed a new industry action program, broader and more far-reaching than ever before.

And if plotting the industry's course is a challenging task, so, too, is the development of greater understanding among the various branches of our industry.

A Better Understanding

Substantial progress has been made — particularly in the past several years — toward achieving fuller understanding among natural gas producers, pipeliners and distributors concerning mutual problems, including producer regulation and its effects upon the entire industry.

Informal discussions have been going on for some time between representatives of these three branches of the gas business — between men acting as individuals rather than as official delegates from trade associations. It is my belief that in this movement to achieve greater understanding we are seeing the natural gas industry bring itself to a higher state of maturity than it has ever before achieved.

Certainly any discussion of what's ahead for the gas industry must include the matter of long-range natural gas supply.

Despite record sales last year, proved recoverable reserves of natural gas in the United States continued to show an increase over the previous year. These reserves now total 263 trillion cubic feet—and estimates by a number of qualified individuals and agencies indicate the nation's ultimate natural gas resources are at least four to six times that amount.

None of us, of course, is so optimistic as to think that every last cubic foot of this gas can be located, proved and produced at prices the consumer can afford. We need be neither geologists nor economists to see the folly of this though. But I am fully confident that enough gas will be found, at reasonable prices, to keep this industry in business for a long, long time.

In looking at the supply picture, we also should remember that the gas industry is conducting a vigorous research program, directed toward the development of processes for producing synthetic natural gas, or an equivalent gas, from the oil shales, low-grade coals and other abundant natural resources.

Now, in my earlier references to competition, I have been alluding to the old familiar kind of natural competition we've always faced. This nation leads the world in fuel production and energy use, largely because of the traditionally American freedom of enterprise we have so long enjoyed. Free competition, based upon natural economies, has not only permitted all energy industries to serve the public well, but has helped stimulate the search for, and development of, new fuel sources.

Criticizes National Fuels Policy

But today, under the guise of establishing a so-called "National Fuels Policy," one energy industry would upset this system of free competition in favor of another system under which fuels and their end use would eventually be controlled by government.

Such control would impair the production, pricing and ultimately the marketing of all fuels. While the damage to our industry would be irreparable, the real loser would be the consumer, who no longer would be free to choose between competing fuels in an open market. I assure you that our industry will fight such artificial restraints with all the strength we can muster.

I feel I must voice one or two additional comments on our industry. My travels this year leave me with the firm conviction that here, in our alert, progressive national, regional and state associations, lies the greatest source of strength — the greatest reservoir of ideas and vision and energy—that this industry has ever possessed.

We can thank our stars, too, that we have such tremendous strength in the Gas Appliance Manufacturers Association—in its energetic and imaginative leadership and in the hundreds of forward-looking manufacturing companies that translate our industry's ideas into the gas appliances and equipment so vital to our future. What a powerful team we make as GAMA and A.G.A. work together toward our mutual objective—greater use of gas.

It has been my privilege this year to be closely associated with the officers and directors of the American Gas Association, and with the many committee chairmen and other A. G. A. members who also are working toward our common goal of building and strengthening the gas industry.

Some would be amazed at the time and interest that important, busy people put into the work of our Association. And rarely does anyone refuse to take an assignment.

As many will recall, I've often spoken this year on my "Full Speed Ahead" theme, urging that we move forward, with all speed, on programs that can contribute most to gas industry growth. I've even had a big rubber stamp made so I could plug this theme in all my correspondence.

It has been "Full Speed Ahead" for the dedicated men and women serving on our Association's committees. They have been willing to do their full share, offering progressive new ideas, and showing courage to meet great challenges. It is because of their unselfish and unswerving efforts that we have marched steadily forward.

I have nothing but the highest praise for our Association staff—for the staff of one of the world's largest and most active trade associations, serving some 8,500 members, including gas companies, manufacturers and individuals. Headed by our dynamic and energetic Managing Director, Chet Stackpole, this staff is an efficient, hard-working group of men and women. They are helping the gas industry increase its usefulness and reach its objectives by doing those things that can be done best or most economically by the entire industry working cooperatively at the national level.

And how fortunate we are to have such a capable organization as the A. G. A. Laboratories conducting our appliance testing programs. Here is clear proof that the gas industry is protecting its customers by regulating itself, adhering to nationally - recognized standards assuring the consumer of the adequate performance, durability and safety of appliances bearing the A. G. A. seal of approval.

Our look-ahead makes it clear that we shall need the cooperation and assistance of every gas association, company and individual whose manpower, womanpower and idea-power will contribute to continued gas industry growth and prosperity.

Moving full speed ahead is always harder than just maintaining momentum, of course. We know that it's going to take an immense amount of enthusiasm and plain old-fashioned hard work to outdistance the competition.

But if you believe, as I do, that we have a difficult task to perform, you may also think of the tremendous opportunity we have to serve the industry on which you and I have bet our future.

The task is great, to be sure. The need is even greater—and the opportunity is greatest of all. But we who are now looking ahead together are also working together, and I am certain we are equal to the task.

*An address by Mr. Ligon before the 42nd Annual Convention of the American Gas Association, Atlantic City, N. J., Oct. 10, 1960.

Chaine Opens New Branch

FLINT, Mich. — H. B. Shaine & Co., Inc. has opened a branch office in the Metropolitan Building under the management of Robert J. Cameron.

Singer, Deane Branch

YOUNGSTOWN, Ohio — Singer, Deane & Scribner has opened a branch office in the Stambaugh Building under the management of Charles D. Arnott.

Yates, Heitner Office

CAPE GIRARDEAU, Mo.—Yates, Heitner & Woods has opened a branch office at 338 Broadway under the management of Francis J. Hess, Jr.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Federal Reserve System is keeping money and credit on the ample side because they are continuing to build up the "free" reserves of member banks. This is one of the prime reasons for the sizable demand which is still around for short-term government obligations. This movement into Treasury bills and tax anticipation issues has tended to bring the "liquidity preference" psychosis to a height which has not been seen in quite a while.

The other force dominating the money and capital markets, in addition to the international monetary situation, is the November refunding operation of the Treasury. In spite of the big demand for short-term government obligations, there are positive beliefs among most money market experts that the Treasury will offer a refunding issue that will help to move out the maturity date of the government debt. Accordingly, a short bond probably with a five to eight year maturity is being looked for as part of the refunding operation.

Election Engenders Liquidity Preference

The uncertainty which surrounds not only the economic picture, but also the country as a whole, due largely to the impending national elections, has brought a sizable amount of buying into the most liquid short-term government securities. Evidently both individuals and institutions have decided to make near-term temporary commitments in Treasury bills, with the shorter maturities of this liquid government paper getting an especially large play from those who are obsessed with "liquidity preference" and want to have funds at work for a very limited period just beyond the election time. In addition, there are large scale purchases of the medium and longer term Treasury bills and tax anticipation issues because the funds which would ordinarily be going into inventories or would be used for other corporate purposes will not be needed for a period of time. Also, it is indicated that a not unsizable amount of money which had been in common stocks, or so intended, is being put to work in not only Treasury bills and tax anticipation obligations but also in selected medium term securities.

It is evident that as long as the domestic situation is filled with uncertainty, and the international picture is fraught with indecision, as it appears as though it will be for at least until the elections are over, there is not likely to be any let-up in the demand for short-term liquid government securities. To add to the demand for the selected short-term Treasury maturities, are reported purchases of these securities by the deposit banks, with the large ones as well as the smaller ones being involved in these commitments.

Debt Extension Expected in Refunding Operation

The intermediate-term issues have been pretty much on the quiet side, even though there are selected issues such as the 2⅝s of 1965 and the 5s and 4⅞s of 1964 which are being bought by both individuals and institutions. It is the opinion of practically all money market specialists that there is little or no attraction in the middle-term obligations as a whole until the terms of the November refunding have been made public.

It is indicated that the basket deal which is expected to be announced today, (Oct. 27) for next month's maturities will embody an issue or issues which could have an adverse effect marketwise on the presently outstanding intermediate-term obligations. This would, however, carry out the established policy of the Treasury to extend the maturity of the debt as it comes due. A short-term obligation is expected to make up the other part of the package. Some say a 12- to 15-month maturity would probably fill this bill.

Long Governments in Some Demand

Long term governments are still being digested by the institutional buyers, with the "forward refunding" bonds being taken by investors who are classified as the permanent holder type. The 3½s due 1980 appear to have picked up quite a few friends of late and are finding homes in the portfolios of institutional investors. The demand for government bonds is still limited, however, because of the better yields which are available in corporate and tax-exempt obligations. However, with the large "telephone" issue out of the way, it is believed in some quarters of the bond market that demand for the most distant government issues will improve. As has been the case in the past, public pension funds are among the prominent buyers of the longest government bonds.

Mitchum, Jones Absorbs May Co.

LOS ANGELES, Calif.—Mitchum, Jones & Templeton, 650 South Spring Street, members of the New York and Pacific Coast Stock Exchanges, have announced the merger with their firm of J. Earle May & Co. Incorporated, 601 Bryant Street, Palo Alto.

J. Earle May and Edward S. Arnold have become partners in Mitchum, Jones & Templeton.

J. H. Silcox Forms Own Company

CHARLESTON, S. C.—James H. Silcox has formed J. H. Silcox & Co. with offices at 8 State Street to engage in a securities business. Mr. Silcox was formerly an officer of Silcox & Johnson, Inc. and prior thereto conducted his own investment business.

Lloyd Haas Admits

Lloyd Haas & Co. have announced the admission of Joseph R. Seidman to partnership in their firm and the removal of their offices to 120 Broadway, New York City.

Bonbright Branch

VERO BEACH, Fla. — George D. B. Bonbright & Co. has opened a branch office at Porpoise Point under the management of Warren F. Wallace.

East West Secs. Branch

OAKLAND, Calif.—East-West Securities Co. has opened a branch office in the First Western Bldg., under the direction of Robert J. Anderson.

T. M. Bernardi Opens

Theodore M. Bernadi is engaging in a securities business from offices at 50 East 42nd Street, New York City.

STATE OF TRADE AND INDUSTRY

Continued from page 4

a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Oct. 22, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 6.1% above those of the corresponding week last year. Our preliminary totals stand at $28,779,949,865 against $27,132,291,240 for the same week in 1959. At this center there is a gain for the week ending Friday of 5.4%. Our comparative summary for the principal money centers follows:

Week Ended Oct. 22—	1960 (000s omitted)	1959 (000s omitted)	%
New York	$14,695,172	$13,938,776	+ 5.4
Chicago	1,408,211	1,293,284	+ 8.9
Philadelphia	*1,232,000	1,174,000	+ 4.9
Boston	931,756	887,408	+ 5.0

* Estimated.

"Iron Age" Doesn't Expect Steel Industry to Recover Until 1961

Steel business in November will be down from October, the *Iron Age* reports. Furthermore, December is not likely to show any improvement in orders.

This means any recovery in steel operations is now set back into 1961, the magazine predicts.

This gloomy forecast is in contrast to what had been a slightly better feeling in the steel market in recent weeks. But new factors, principally cutbacks in automotive orders and indications of lower over-all volume in November, resulted in the setback in the market.

But, the magazine makes an important qualification to its prediction:

Orders, even from major users like the automakers, are on a week-to-week, even day-to-day, basis. This makes long-range predicting difficult because any steel user can change his plans, and orders, overnight. A surge of late orders during the month could bring November improvement. But, at best, November can not be called a recovery month.

There are a few encouraging points noted:

There is a slight over-all improvement in the number of new orders to compensate for the expected decline in automotive tonnage.

Inventories are low, and buying of steel is running close to consumption.

Some merchant pig furnaces have been put back into production in the Midwest.

Some warehouses, also in the Midwest, report occasional production-sized orders for steel, particularly sheet.

Some companies report individual order improvement not in line with the over-all pattern. But in many cases, the companies themselves discount them as result of special projects or individual effort.

The disappointing November outlook is principally the result of the automotive production and sales outlook. October auto production is well over the seven million per year rate. Unless auto sales pick up, auto production will have to be cut back in the last two months of the year.

In addition, layoffs, are scheduled, or are already being made, in some of the other major steel-consuming industries. These include appliance, farm implement, and heavy construction equipment makers. And there is no pickup likely in railroad, oil country, or steel warehouse buying.

Steel Users Aren't Hedge Buying Again Possible Price Rise

Steel users are making no effort to protect themselves against a possible price increase on Dec. 1, when industry wage rates go up an average of 8.4 cents per hour, *Steel*, the metal-working weekly, reported.

Although steel producers have made it clear that they want relief from rising costs, users are not increasing their inventories: Reasons:

(1) They think competitive pressures from other materials and imported steel will cause steelmakers to hold the line.

(2) They believe the industry wants to avoid the "whipping boy" role that some critics have assigned it.

(3) They feel that the added costs of keeping a bigger stock might offset whatever they save in purchase prices.

Tin plate prices could be the tipoff. Tin plate producers normally give canmakers 35 days' notice when they plan to raise prices. So notification should come this week if a price increase is slated for Dec. 1. Canmakers might hedge because 65% of a can's cost is in the metal.

Steel companies report they have not yet felt the full impact of 1961 car buildups, the magazine said. Although there are some exceptions, most car divisions have just about enough steel to carry them through the remainder of the year. Some sizes and gages are missing, but automakers apparently feel they can get immediate delivery, so there's little point in pushing inventories higher.

As consumers pare inventories to the bone, they're becoming more dependent on fast service from mills. Last week, a mill in Western Pennsylvania lost an order for hot rolled strip after promising delivery within a week. A competitor rolled slab into strip overnight, cooled it off, and shipped it out the next day.

Production declined slightly last week when steelmakers operated their furnaces at 54.6% of capacity, 0.8 percentage point below the previous week's revised rate. Output: About 1,556,000 ingot tons.

Steel's price composite on No. 1 heavy steelmaking scrap remained at $30.17 a gross ton last week.

Chances are good that the U. S. will ship as much steel overseas this year as it brings in, *Steel* reported. For the first eight months, exports totaled 2,125,000 tons (vs. 1,386,000 tons in the corresponding period last year and 1,694,000 tons in all of 1959). Imports through August total 2,577,000 tons (vs. 2,665,000 tons in the same period last year).

This Week's Steel Output Based On 53.2% of Jan. 1, 1960 Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *94.4% of steel capacity for the week, beginning Oct. 24, equivalent to 1,516,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compared with the actual levels of *98.3% and 1,579,000 tons in the week beginning Oct. 17.

Actual output for last week beginning Oct. 17, was equal to 55.4% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage for this week's forecast based on that capacity is 53.2%.

A month ago the operating rate (based on 1947-49 weekly production) was *97% and production 1,558,000 tons. A year ago the actual weekly production was placed at 371,000 tons, or *23.1%. At that time the industry was virtually closed down due to a strike of the steel union.

*Index of production is based on average weekly production for 1947-49.

Electric Output 8.2% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Oct. 22 was estimated at 13,805,000,000 kwh., according to the Edison Electric Institute. Output was 69,000,000 kwh. above that of the previous week's total of 13,736,000,000 kwh. and showed a gain of 1,043,000,000 kwh., or 8.2% above that of the comparable 1959 week.

Automobile Manufacturers Boost Car Output 12.4%

Stressing overtime and second-shift operations heavily, U. S. assembly plants this week boosted their car output 12.4% to the highest level since early February, *Ward's Automotive Reports* said.

The weekly gain netted the 1,500,000th compact car completion since Jan. 1 and virtually assures the industry of its second-best October passenger car volume in history. Some 630,000 to 640,000 assemblies are expected.

Scheduled for this week are 161,841 passenger car and 16,602 truck completions compared with 144,056 and 18,163 last week. In the same week last year 112,488 cars and 20,799 trucks were built.

The statistical service said 51% of the industry's 49 car assembly plants scheduled Saturday overtime this week and 59% worked on a two-shift basis, most of the overtime coming from Chevrolet and Ford plants.

An estimated 30% of this week's passenger car assembly were compact models, *Ward's* said, with American Motors leading the drive for production volume with with three-shift, six-day operations.

Ward's divided car building this week into 50.1% GM Corp., 31.1% Ford Motor Co., 10.7% Chrysler Corp., 6.5% American Motors Corp. and 1.6% Studebaker-Packard Corp.

Chrysler Corp., the first company to reach volume output of the '61 models, is scheduling five-day operations. It closed its St. Louis (Mo.) plant all of this week in a production adjustment.

Ward's said that on Oct. 31 the U. S. auto industry will bring its calendar year 1960 car production ahead of the 5,594,000 units built in entire 1959 in the quest to establish the year 1960 as at least the third-best period in history.

Car Loadings Up 12.7% Above Same Week in 1959

Loading of revenue freight for the week ended Oct. 15, 1960, totaled 653,145 cars, the Association of American Railroads announced. This was on increase of 73,735 cars or 12.7% above the corresponding week in 1959, which was affected by the nationwide strike in the steel industry, but a decrease of 43,258 cars or 6.2% below the corresponding week in 1958.

Loadings in the week of Oct. 15, were 7,129 cars or 1.1% above the preceding week.

All districts reported increases compared with the corresponding week in 1959 except the Central Western. All districts reported decreases compared with the corresponding week in 1958, except the Pocahontas.

There were 11,865 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended Oct. 8, 1960 (which were included in that week's over-all total). This was an increase of 2,922 cars or 32.7% above the corresponding week of 1959 and 5,119 cars or 75.9% above the 1958 week.

Cumulative piggyback loadings for the first 40 weeks of 1960 totaled 426,824 for an increase of 108,892 cars or 34.3% above the corresponding period of 1959, and 222,081 cars or 108.5% above the corresponding period in 1958. There were 55 class I U. S. railroad systems originating this type of traffic in the current week compared with 50 one year ago and 40 in the corresponding week of 1958.

Intercity Truck Tonnage Down 1.4% Below 1959 Week

Intercity truck tonnage in the week ended Oct. 15, was 1.4% below the volume in the corresponding week of 1959, the American Trucking Association, Inc., announced. Truck tonnage was 3.7% below the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Research Department. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Lumber Shipments for Week Ended Oct. 15 Were 4.4% Below Production

Lumber shipments of 457 mills reporting to the National Lumber Trade Barometer were 4.4% below production during the week ended Oct. 15, 1960. In the same week, new orders of these mills were 2.6% below production. Unfilled orders of reporting mills amounted to 26% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 14 days' production at the current rate, and gross stocks were equivalent to 52 days' production.

For the year-to-date, shipments of reporting identical mills were 2.9% below production; new orders were 6.8% below production.

Compared with the previous week ended Oct. 8, 1960, production of reporting mills was 5.2% above; shipments were 3.9% below; new orders were 4.5% above. Compared with the corresponding week in 1959, production of reporting mills was 13.7% below; shipments were 11% below; and new orders were 8.4% below.

Decline in Business Failures During Week Ended Oct. 20

Commercial and industrial failures fell noticeably to 270 in the week ended Oct. 20 from 326 in the preceding week, reported Dun & Bradstreet, Inc. Although casualties stood at the lowest level in 12 weeks, they remained above the 250 occurring in the similar week last year and came close to the 275 in 1958.

Liabilities of $5,000 or more were invloved in 248 of the week's failures as against 291 in the previous week and 228 a year ago. Small casualties, those with losses under $5,000, dropped to 22 from 35 but held even with their 1959 level. Thirty-two of the failing businesses had liabilities in excess of $100,000, dipping from 35 of this size a week earlier.

Wholesale Food Price Index Down Somewhat in Latest Week

There was a slight dip in the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., in the latest week, but it was up moderately from a year ago. On Oct. 18 the index declined 0.7% to $5.99 from the week earlier $6.03, but it was 1.7% higher than the $5.89 of the similar date a year ago.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Down to Lowest Level Since June 1950

Lower prices on some grains, hogs, steers, cotton, rubber, tin and copper held down the Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., to 265.87 (1930-32=100) on Oct. 17, the lowest level since June 26, 1950, when it was 265.24. The current index compared with 266.55 a week earlier and 276.25 on the corresponding date a year ago.

Wheat prices finished fractionally higher than the prior week as volume edged up, but supplies were heavier. Although transactions in rye were close to a week earlier, prices were down moderately as receipts expanded and rye flour trade was slow. The export buying of soybeans moved up and domestic trading was steady holding prices close to a week earlier; supplies were ample as marketings picked up.

Increased export buying of flour offset sluggish domestic activity this week, and prices moved up somewhat; substantial quantities of rice were sold to the United Arab Republic. With sizable purchases made to Indian and Pakistan and domestc trading sustained at a high level, rise prices matched those of the preceding week.

Trading in sugar was up slightly helping prices climb somewhat from a week earlier. Coffee prices were steady, despite a slight dip in volume during the week. There was a slight decrease in cocoa prices at the end of the week, but transactions were steady.

There was a slight decline in prices on the New York Cotton Exchange this week. The October cotton crop forecast for the season was 14,533,000 bales, compared with a forecast of 14,581,000 made a month earlier and an actual crop of 14,558,000 for last season.

Warm Weather Cuts Retail Trade

Unseasonably warm weather over the week-end held consumer buying in week ended last Wednesday, Oct. 19, appreciably below the prior week, and over-all retail trade dipped moderately below a year ago. Year-to-year declines occurred in purchases of apparel, draperies, and linens offsetting slight gains in furniture, floor coverings, and new passenger cars. There was a good rise in the buying of major appliances from a week earlier, and sales were close to last year.

The total dollar volume of retail trade in the week ended this Wednesday was one to five per cent below a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: West North Central —4 to —8; East North Central and South Atlantic —2 to —6; Middle Atlantic —1 to —5; West South Central and Mountain 0 to —4; New England and Pacific Coast +3 to —1; East South Central +4 to 0.

Nationwide Department Store Sales Down 3% From 1959 Week

Department stores sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Oct. 15, 1960, show a decrease of 3% over the like period last year. In the preceding week for Oct. 8, an increase of 2% was reported. For the four weeks ended Oct. 15, a 1% increase was reported. The Jan. 1 to Oct. 15 period showed a 1% increase.

According to the Federal Reserve System department store sales in New York City for the week ended Oct. 15 were 1% below the like period last year. In the preceding week ended Oct. 8, sales were 13% above the same period last year. For the four weeks ending Oct. 15 an 8% increase was reported over the 1959 period, and from Jan. 1 to Oct. 15 there was a gain of 6% above the level achieved in the 1959 period.

H. Singer Opens

(Special to THE FINANCIAL CHRONICLE)

NEWTON, Mass.—Herbert Singer is conducting a securities business from offices at 85 Clements Road.

Allied Syndications Formed

Allied Syndications Ltd. is conducting a securities business from offices at 50 East 42nd Street, New York City.

MUTUAL FUNDS

BY ROBERT E. RICH

The Cold Wind And The Warm

It wasn't so long ago that the National Association of Investment Companies, the 20-year-old organization that comprises the country's top mutual and closed-end funds, was able to report with almost monotonous regularity that purchases of shares were at an all-time high. And in those days there also were the financial district skeptics who persisted in asking how these investment companies would fare when the stock market was hammered down.

For those who waited around to hear the views of the cynics, there was scant doubt of how the situation would develop. It would border on a rout. If their dire forecasts were somewhat less than convincing, it was because they were suspected of a basic hostility to the funds. They were, in many instances, brokers and investment counselors who saw in the funds an arch rival to their own business.

Well, as even the most casual observer realizes, this stock market has been hammered savagely, with many of the "household name" issues bearing the brunt of the beating. The go-it-alone investors, by and large, have shown no disposition to panic. Sure, there has been a measure of selling, but there also has been a more than negligible amount of buying too, as the odd-lot figures will demonstrate. But for the most part the small investors have taken to the sidelines.

This seems to be the temper too of the people who count on fund management to attain their investment objectives. Thus, last week the National Association of Investment Companies reported that investors during September bought $171,081,000 worth of mutual-fund shares. Now, that's a slide of over 9% from the $188,315,000 of fund shares bought in September of 1959, when the market was only beginning to falter.

And what about the people who had previously committed themselves to mutual funds? Was the stampede, long hoped for in some quarters, underway?

Well, redemption of shares was sizable enough in percentage terms to buoy their hopes, if not to please them altogether. These redemptions last month toted up to $64,876,000. That's up a neat 20% from the $54,057,000 worth of fund shares cashed in during September of 1959. Incidentally, redemptions were even heavier in August this year, when they amounted to well over $72,000,000.

In an industry long accustomed to reporting advances on every front, it seems that the fundmen these days are feeling the cold wind on every front. Their accumulation plans, by which they set great store, also are attracting fewer enthusiasts. There were 28,186 voluntary and contractual plans opened last month. In September of 1959, when buying shares on a periodic payment basis was less well understood, there were 28,883 plans opened. And as recently as August of this year the 159 mutual funds sold 30,401 such plans.

And just one more melancholy note: while investors last month were putting better than $106,000,000 more into mutual funds than they were taking out, the combined assets of these funds were shrinking. For, with the stock market under pressure, they added up to $15.6 billion at Sept. 30, compared with $16.4 billion at the end of August.

For the fundmen, who have written a 20-year-long success story, these are indeed melancholy times. From the days when they were accustomed to pointing with pride to the rise in *net assets per share*, many are now reduced to telling shareholders that their holdings have not been hit as hard as the Dow-Jones Industrial Average which, incidentally, has no stockholders. As for the anti-fund skeptics, the situation is a long way from being a rout. Indeed, not a few of these wish they had been able to emerge from the market troubles with as few scars as the funds.

Funds Report

The One William Street Fund, Inc. reports that during the quarter ended Sept. 30 it made new investments in American Greetings Corp. (30,000 shares), Bestwall Gypsum (17,900), Harcourt-Brace (10,000), Kerr-McGee Oil (25,000), Prentice-Hall (15,000), Smith, Kline & French (35,000) and United States Steel (25,000).

At the same time it increased holdings in Atlas Powder to 15,000 shares from 10,000, in Continental Assurance to 15,000 from 12,500, in Hooker Chemical to 85,000 from 84,000, International Telephone & Telegraph 50,000 against 25,000, Kaiser Aluminum & Chemical to 60,000 from 40,000, Libbey-Owens-Ford Glass to 35,000 from 30,000, Moore Corp. to 40,000 from 38,500, Public Service of Colorado to 45,000 from 43,000 Scott Paper was increased to 35,000 from 30,500 and Youngstown Sheet & Tube to 40,000 from 35,000.

The fund meanwhile eliminated its 20,000-share holdings of Bankers Trust, 20,400 of Chase Manhattan, 15,000 Chemical Bank New York Trust, 34,000 Eaton Manufacturing, 12,852 First National City Bank of New York, 15,000, Manufacturers Trust and 6,700 Reynolds Metals 4½% second convertible preferred.

It pared holdings of Air Reduction to 10,000 from 30,000 shares, Champion Paper & Fibre to 40,000 from 50,000, Dow Chemical to 30,600 from 36,500, General Electric to 29,900 from 40,000, International Nickel to 103,000 from 141,000, Chas. Pfizer to 50,000 from 55,000, Standard Oil (Ohio) to 20,000 from 25,000 and Westinghouse Electric down to 57,500 from 105,000.

* * *

Istel Fund reports total net assets at Sept. 30 were $10,353,479 equal to $32.62 on each of 593,226 shares. This compares with assets of $16,699,799 and $31.92 on 523,122 shares at the close of 1959.

* * *

Broad Street Investing Corp. report asset value per share declined to $11.73 at Sept. 30 from $12.51 at June 30. During the quarter the company made a new investment of 18,400 shares of Continental Oil and 12,500 Gardner-Denver. It increased holdings of Allied Chemical by 13,000 shares, American Cyanamid by 14,000 shares, American Telephone & Telegraph by 13,000 shares and added 1,800 International Business Machines and 5,000 Northern Indiana Public Service. Principal reductions were sale of 46,500 shares of Continental Baking, 20,000 Hooker Chemical, 13,900 Kroger and 25,000 Westinghouse Electric.

* * *

Whitehall Fund, Inc., the balanced fund of the Broad Street group, had asset value of $12.15 a share at Sept. 30, down from the $12.65 reported at the start of the year and the $12.48 at June 30. During the quarter new positions were taken by the purchase of 3,000 shares of Continental Oil, 2,000 Florida Power & Light and 1,000 Zenith Radio. The fund's investment in Southern Company was increased by 1,000 shares. Holdings were reduced by sale of 500 shares of Atlantic City Electric, 400 Delaware Power & Light, 100 Kansas Gas & Electric, 700 Montana Power, 1,000 Virginia Electric & Power and 2,000 Westinghouse Electric. Investment in 3,000 shares of Continental Baking, 500 Continental Can and 3,000 Standard Oil (Ohio) were eliminated.

* * *

National Investors Corp., the growth stock fund of the Broad Street group, had net asset value per share of $13.35 at Sept. 30. This compares with $14.69 at June 30 and $13.41 at the start of this year.

During the quarter new common stock positions were taken by the purchase of 20,000 shares of American Cyanamid, 50,000 shares of Central Hudson Gas & Electric, 40,000 First Charter Financial, 30,000 Great-Western Financial, 10,000 Illinois Power, 8,300 Jostens Inc. "A," 42,500 Pennsalt Chemicals, 25,000 Pitney-Bowes, 40,000 Republic Natural Gas, 16,000 Thermo-King, 10,000 Western Publishing, and 20,000 Wyandotte Chemicals.

Principal additions were 20,000 shares of Allied Chemical, 10,000 shares of American Photocopy Equipment, 22,000 Bestwall Gypsum, 10,000 Central & South West, 9,000 Georgia Pacific, 10,000 Middle South Utilities, 6,100 Nalco Chemical, 15,000 Oklahoma Gas & Electric, 7,000 Chas. Pfizer, 10,000 Southern Company, 10,000 Union Carbide, and 5,000 Zenith Radio.

Holdings were reduced by the sale of 10,500 shares of Addressograph-Multigraph, 11,000 shares of Minnesota Mining & Manufacturing, 8,500 National Lead, 5,000 Owens-Corning Fiberglas and 11,300 shares of Westinghouse Electric.

Investments in 20,000 shares of Continental Can, 10,000 shares of General Electric, 18,000 shares of W. R. Grace and 15,000 shares of Kerr-McGee Oil Industries were eliminated.

* * *

Keystone Income Fund, Series K-1, has declared a quarterly regular distribution from net investment income of 12 cents per share.

Keystone Income Common Stock Fund, Series S-2, has declared a semi-annual regular distribution from net investment income of 20 cents per share; and a special distribution from net realized profits of 45 cents per share. All distributions are payable Nov. 15 to holders of record Oct. 31.

* * *

National Aviation Corp. net assets at Sept. 30 amounted to $24,924,756, or $28.52 a share, compared with $25,320,675 and $28.86 a share one year earlier.

* * *

Eaton & Howard Stock Fund reports that at Sept. 30 net assets were $153,764,840, equal to $11.44 on each of 13,436,773 shares. This compares with assets of $151,886,949 and $11.87 a share a year earlier when there were 12,799,444 shares outstanding (adjusted for 2-for-1 stock split).

* * *

Axe Houghton Mutual Funds has purchased for investment 40,000 shares of Wilson Brothers, according to Maurice Parker, President of Wilson. The purchase consists of 20,000 shares of $25 par value 5% cumulative preferred stock and 20,000 shares of $1 par common stock, all of which has been authorized but unissued. Purchase prices were not announced. The Axe Houghton Mutual Funds now owns, with this latest purchase, a total of 20,000 shares of 5% cumulative preferred and 84,079 shares of Wilson Brothers common stock.

* * *

Twelve-month gains of 16.7% in per-share value and 24.6% in total net assets were reported by **Oppenheimer Fund, Inc.** According to unaudited figures, net asset value per share came to $11.81 on Sept. 30, compared to $11.86 on June 30, $11.10 last Dec. 31, and $10.12 on Sept. 30 a year ago. Net assets on Sept. 30 totaled $4,508,010, a new period-ending high. This figure compared with $4,459,903 on June 30, $4,182,474 on Dec. 31 and $3,619,138 on Sept. 30, 1959.

* * *

Massachusetts Investors Trust reports that the net asset value of its shares was at $12.42 at the end of the third quarter on Sept. 30, compared with $13.18 three months earlier. At the quarter end, the fund's total net assets stood at $1,419,387,550, representing 114,277,688 shares outstanding. These figures compare with total assets of $1,493,822,047 and 113,366,516 shares at the end of the previous quarter, and assets of $1,497,272,607 and 111,228,079 shares a year ago.

* * *

Institutional Foundation declared a dividend from ordinary investment income of 10 cents and a realized securities profit of 30 cents, both payable Dec. 1 to stock of record Nov. 1.

* * *

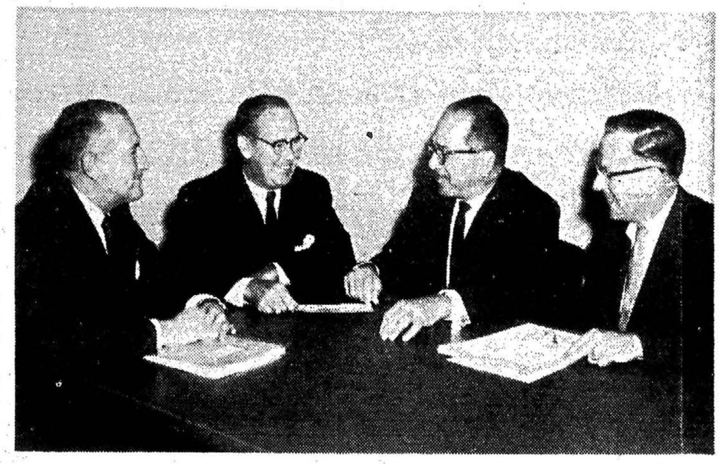
Financial Industrial Fund reports that at Aug. 31, which marked the close of 25 years of operation, total net assets were $180,421,994, compared with $156,888,419 a year earlier. Net asset value a share at the beginning of the fiscal year was $4.49, against $4.13 at the year's close. Shares outstanding rose from 34,979,911 to 43,641,492.

* * *

General Capital Corp. calculates net asset value a share was $16.11 at Sept. 30, against $17.71 at Dec. 31, 1959.

Close Puerto Rico Aqueduct Bond Sale

Closing ceremony for $10,000,000 Puerto Rico Aqueduct and Sewer Authority Revenue Bonds took place Oct. 11 when investment representatives handed check to Juan Labadie Eurite (third from left), Executive Director of the Authority. William G. Carrington,



Jr. (second from left) partner of Ira Haupt & Co., is shown making payment at offices of Chase Manhattan Bank, Trustee of the Authority. Looking on are S. L. Descartes, Assistant Executive Vice-President of Banco Credito, and J. Arthur Porter, Manager, municipal bond department, Merrill Lynch, Pierce, Fenner & Smith Inc. The three investment firms are managers of a group that offered the bonds, scaled from a yield of 2.25% to a dollar price of 99.

Now Babson, Kay, Robb

The firm name of Babson and Kaye Co. has been changed to Babson, Kaye & Robb Co., and offices are now located at 30 Broad Street, New York City. Partners are Irving K. Babson, Philip Kaye and Ernest N. Robb.

Newhard, Cook Admits

ST. LOUIS, Mo.—Newhard, Cook & Co., 400 Olive Street, members of the New York and Midwest Stock Exchanges, on Nov. 1 will admit H. Harrison Culver to limited partnership.

Steckler & Moore Admit

Steckler & Moore, 120 Broadway, New York City, members of the New York Stock Exchange on Oct. 23 will admit Johanna E. Moore to limited partnership.

Forms Porteous Co.

PHILADELPHIA, Pa. — Porteous and Company Incorporated has been formed with offices at 3 Penn Center Plaza to engage in a securities business. Douglas Porteous is a principal of the firm.

W. D. Gradison Branch

WILMINGTON, Ohio — W. D. Gradison & Co. has opened a branch office at 132 East Main Street under the management of Donald E. Cowgill.

New Grunberg Branch

TRENTON, N. J. — Grunberg & Co. has opened a branch office at 383 West State Street under the management of J. Stanley Husid.

Kentucky Co. Branch

FRANKFORT, Ky. — The Kentucky Company has opened a branch office at 315 West Main Street under the management of Robert M. Hardy.

Martin, Monaghan Branch

NEWTON, Mass.—Martin, Monaghan and Mulhern, Inc. has opened a branch office at 72 Freeman Street under the management of David Oldfield.

Forms District Securities

WASHIINGTON, D. C. — Thomas M. Garey is engaging in a securities business from offices at 2643 Forty-first Street, N. W., under the firm name of District Securities.

Dempsey-Tegeler Branch

RENO, Nev.—Dempsey-Tegeler & Co. has opened a branch office at 24 East First Street under the management of James M. Sorenson.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	Oct. 29	§53.2	*55.4	54.7	13.1
Equivalent to—					
Steel ingots and castings (net tons)	Oct. 29	§1,516,000	*1,579,000	1,558,000	371,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Oct. 14	6,823,710	6,802,560	6,847,010	6,839,025
Crude runs to stills—daily average (bbls.)	Oct. 14	¶7,898,000	7,880,000	8,083,000	7,759,000
Gasoline output (bbls.)	Oct. 14	28,518,000	27,733,000	29,365,000	28,111,000
Kerosene output (bbls.)	Oct. 14	2,857,000	2,268,000	2,567,000	2,157,000
Distillate fuel oil output (bbls.)	Oct. 14	11,863,000	11,858,000	13,181,000	11,796,000
Residual fuel oil output (bbls.)	Oct. 14	5,738,000	5,930,000	5,711,000	5,999,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Oct. 14	188,159,000	188,642,000	189,448,000	178,732,000
Kerosene (bbls.) at	Oct. 14	35,987,000	35,121,000	34,704,000	33,440,000
Distillate fuel oil (bbls.) at	Oct. 14	175,066,000	171,437,000	162,773,000	179,990,000
Residual fuel oil (bbls.) at	Oct. 14	51,427,000	50,766,000	47,633,000	59,745,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Oct. 15	653,145	646,016	598,716	579,410
Revenue freight received from connections (no. of cars)	Oct. 15	528,542	535,480	503,123	516,600
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Oct. 20	$400,200,000	$444,500,000	$368,400,000	$261,000,000
Private construction	Oct. 20	235,200,000	252,300,000	194,700,000	146,500,000
Public construction	Oct. 20	165,000,000	192,200,000	173,700,000	114,500,000
State and municipal	Oct. 20	135,000,000	171,500,000	140,200,000	96,200,000
Federal	Oct. 20	30,000,000	20,700,000	33,500,000	18,300,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Oct. 15	8,510,000	8,120,000	8,205,000	7,970,000
Pennsylvania anthracite (tons)	Oct. 15	394,000	377,000	368,000	386,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Oct. 15	156	155	150	161
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Oct. 22	13,805,000	13,736,000	14,156,000	12,762,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Oct. 20	270	326	321	250
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Oct. 18	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Oct. 18	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	Oct. 18	$29.50	$29.83	$31.83	$45.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Oct. 19	29.600c	32.575c	32.600c	32.575c
Export refinery at	Oct. 19	26.900c	27.475c	28.775c	28.650c
Lead (New York) at	Oct. 19	12.000c	12.000c	12.000c	13.000c
Lead (St. Louis) at	Oct. 19	11.800c	11.800c	11.800c	12.800c
‡Zinc (delivered) at	Oct. 19	13.500c	13.500c	13.500c	12.500c
Zinc (East St. Louis) at	Oct. 19	13.000c	13.000c	13.000c	12.000c
Aluminum (primary pig. 99.5%) at	Oct. 19	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	Oct. 19	103.125c	103.750c	102.125c	101.750c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Oct. 25	87.61	87.17	89.21	84.21
Average corporate	Oct. 25	86.78	86.91	87.72	84.04
Aaa	Oct. 25	91.48	91.48	92.20	87.99
Aa	Oct. 25	89.37	89.37	90.20	85.20
A	Oct. 25	86.38	86.38	87.18	84.17
Baa	Oct. 25	80.69	80.81	82.03	79.13
Railroad Group	Oct. 25	84.04	84.04	85.33	82.90
Public Utilities Group	Oct. 25	87.86	87.86	88.81	83.28
Industrials Group	Oct. 25	88.81	88.81	89.37	85.98
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Oct. 25	3.81	3.86	3.61	4.09
Average corporate	Oct. 25	4.65	4.64	4.58	4.86
Aaa	Oct. 25	4.31	4.31	4.26	4.56
Aa	Oct. 25	4.46	4.46	4.40	4.77
A	Oct. 25	4.68	4.68	4.62	4.85
Baa	Oct. 25	5.13	5.12	5.02	5.26
Railroad Group	Oct. 25	4.86	4.86	4.76	4.95
Public Utilities Group	Oct. 25	4.57	4.57	4.50	4.92
Industrials Group	Oct. 25	4.50	4.50	4.46	4.71
MOODY'S COMMODITY INDEX	Oct. 25	359.2	357.8	366.1	382.4
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Oct. 15	308,826	340,449	312,608	285,609
Production (tons)	Oct. 15	326,613	314,365	320,971	332,662
Percentage of activity	Oct. 15	94	92	93	98
Unfilled orders (tons) at end of period	Oct. 15	437,157	456,370	412,424	523,694
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Oct. 21	110.00	109.65	109.53	111.05
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Sep. 30	3,205,560	2,230,210	2,042,750	1,968,230
Short sales	Sep. 30	438,520	344,700	350,500	343,680
Other sales	Sep. 30	2,599,820	1,911,050	1,736,420	1,711,170
Total sales	Sep. 30	3,038,340	2,255,750	2,086,920	2,054,850
Other transactions initiated off the floor—					
Total purchases	Sep. 30	495,890	328,020	413,400	569,980
Short sales	Sep. 30	30,900	49,730	129,050	57,710
Other sales	Sep. 30	347,430	281,670	356,050	544,310
Total sales	Sep. 30	378,330	331,400	485,100	602,020
Other transactions initiated on the floor—					
Total purchases	Sep. 30	833,580	621,975	735,800	824,580
Short sales	Sep. 30	118,920	96,020	128,890	145,380
Other sales	Sep. 30	659,092	576,244	756,128	953,415
Total sales	Sep. 30	778,012	472,264	885,018	1,098,795
Total round-lot transactions for account of members—					
Total purchases	Sep. 30	4,535,030	3,180,205	3,191,950	3,362,790
Short sales	Sep. 30	588,340	490,450	608,440	546,770
Other sales	Sep. 30	3,606,342	2,768,964	2,848,598	3,208,895
Total sales	Sep. 30	4,194,682	3,259,414	3,457,038	3,755,665
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Sep. 30	1,794,951	1,673,674	1,502,107	1,667,559
Dollar value	Sep. 30	$82,904,315	$79,942,968	$67,875,611	$82,644,477
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Sep. 30	1,614,894	1,459,256	1,485,709	1,137,874
Customers' short sales	Sep. 30	28,097	21,418	11,813	22,681
Customers' other sales	Sep. 30	1,586,797	1,437,838	1,473,896	1,115,193
Dollar value	Sep. 30	$76,510,970	$69,937,804	$67,255,176	$55,751,097
Round-lot sales by dealers—					
Number of shares—Total sales	Sep. 30	486,290	417,490	499,730	242,450
Short sales	Sep. 30				
Other sales	Sep. 30	486,290	417,490	499,730	242,450
Round-lot purchases by dealers—Number of shares	Sep. 30	694,080	615,850	477,210	775,130
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Sep. 30	761,870	747,280	932,440	761,920
Other sales	Sep. 30	16,689,460	14,709,450	14,358,670	13,409,690
Total sales	Sep. 30	17,451,330	15,456,730	15,291,110	14,171,610
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Oct. 18	119.0	*119.2	119.4	119.1
Farm products	Oct. 18	87.7	*89.0	87.5	86.1
Processed foods	Oct. 18	108.2	*108.3	108.3	106.1
Meats	Oct. 18	95.1	*96.5	96.1	94.7
All commodities other than farm and foods	Oct. 18	127.6	*127.7	128.2	128.5

*Revised figure. ¶Includes 1,039,000 barrels of foreign crude runs. §Based on new annual capacity of 148,570,970 tons as of Jan. 1, 1960 as against Jan. 1, 1959 basis of 147,633,670 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
AMERICAN PETROLEUM INSTITUTE—Month of July:			
Total domestic production (barrels of 42 gallons each)	240,529,000	234,832,000	236,501,000
Domestic crude oil output (barrels)	212,645,000	208,161,000	210,311,000
Natural gasoline output (barrels)	27,866,000	26,659,000	26,165,000
Benzol output (barrels)	18,000	12,000	25,000
Crude oil imports (barrels)	31,191,000	32,730,000	27,510,000
Refined product imports (barrels)	19,551,000	23,483,000	16,407,000
Indicated consumption domestic and export (barrels)	277,052,000	288,191,000	277,810,000
Increase all stocks (barrels)	14,219,000	2,854,000	2,608,000
AMERICAN ZINC INSTITUTE, INC.—Month of September:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	60,004	*63,840	62,202
Shipments (tons of 2,000 pounds)	68,182	*70,255	61,185
Stocks at end of period (tons)	192,466	*200,644	193,036
CROP PRODUCTION — CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—Crop as of Oct. 1 (in thousands):			
Corn, all (bushels)	4,258,511	4,182,467	4,361,170
Wheat, all (bushels)	1,368,233	1,367,711	1,128,151
Winter (bushels)	1,116,610	1,116,610	923,449
All spring (bushels)	251,623	251,101	204,702
Durum (bushels)	36,155	35,592	20,682
Other spring (bushels)	215,468	215,509	184,020
Oats (bushels)	1,178,085	1,178,085	1,073,982
Barley (bushels)	414,922	414,922	420,191
Rye (bushels)	31,084	31,084	21,495
Flaxseed (bushels)	30,588	29,937	22,709
Rice (100-lb. bag)	53,363	52,547	53,122
Sorghum grain (bushels)	602,542	590,613	579,178
Cotton (bale)	14,553	14,581	14,558
Hay, all (ton)	118,749	117,005	112,764
Hay, wild (ton)	10,564	10,564	8,911
Hay, alfalfa (ton)	68,311	66,817	64,739
Hay, clover and timothy (ton)	22,869	22,869	22,128
Hay, lespedeza (ton)	4,113	3,992	4,377
Beans, dry edible (cleaned) (100-lb. bag)	17,857	17,713	18,212
Peas, dry field (cleaned) (100-lb. bag)	2,732	2,732	4,375
Soybeans for beans (bushels)	561,932	566,336	537,895
Peanuts (pounds)	1,732,125	1,688,075	1,592,295
Potatoes (hundredweight):			
Winter	3,114	3,114	4,005
Early spring	3,287	3,287	3,144
Late spring	28,212	28,212	23,558
Early summer	15,091	15,091	14,277
Late summer	32,581	31,768	33,519
Fall	170,918	171,609	164,778
Total	253,203	253,081	243,281
Sweetpotatoes (cwt.)	15,161	14,885	18,703
Tobacco (pounds)	1,934,766	1,894,826	1,797,087
Sugarcane for sugar and seed (ton)	8,173	8,173	7,318
Sugar beets (ton)	16,727	16,638	17,015
Broomcorn (ton)	20	20	31
Hops (pounds)	46,347	47,105	53,600
Apples, commercial crop (bushels)	107,710	109,220	121,787
Peaches (bushels)	74,723	74,460	74,339
Pears (bushels)	26,405	26,406	30,191
Grapes (ton)	3,006	3,072	3,139
Cherries (ton)	196	196	215
Apricots (ton)	237	237	230
Cranberries (bbls.)	1,316	1,288	1,237
Pecans (pounds)	185,850	185,200	143,500
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of September (in billions):			
Total personal income	$408.4	*$408.2	$381.3
Wage and salary receipts, total	274.7	275.1	259.0
Commodity producing industries	111.0	*111.5	106.1
Manufacturing only	87.2	*87.7	84.3
Distributing industries	72.7	*72.9	69.1
Service industries	41.8	41.6	38.1
Government	49.2	49.0	45.6
Other labor income	11.2	11.2	10.3
Business and professional	36.1	*36.1	34.9
Farm	12.2	*12.2	10.4
Rental income of persons	12.5	12.5	12.5
Dividends	14.0	14.0	13.8
Personal interest income	27.5	27.4	24.0
Transfer payments	29.5	29.1	27.2
Less employees' contribution for social insurance	9.3	9.4	7.9
Total nonagricultural income	392.0	*391.8	370.1
RUBBER MANUFACTURING ASSOCIATION INC.—Month of August:			
Passenger and Motorcycle Tires (Number of):			
Shipments	7,824,458	8,915,365	6,767,305
Production	8,061,325	8,679,590	8,463,172
Inventory	22,325,991	22,096,743	18,691,602
Tractor Implement Tires (Number of)—			
Shipments	235,223	271,274	273,453
Production	241,527	240,206	330,101
Inventory	931,776	919,196	854,989
Truck and Bus Tires (Number of)—			
Shipments	1,116,766	*1,197,276	1,196,305
Production	1,085,341	*1,108,238	1,225,320
Inventory	3,971,602	*4,011,113	3,053,723
Passenger, Motorcycle, Truck and Bus Inner-Tubes (Number of)—			
Shipments	3,307,663	*3,439,572	3,583,177
Production	3,016,671	3,260,909	3,715,762
Inventory	10,253,694	10,626,612	7,817,968
Tread Rubber (Camelback)—			
Shipments (pounds)	39,185,000	35,014,000	41,206,000
Production (pounds)	40,799,000	35,641,000	42,354,000
Inventory (pounds)	25,300,000	24,294,000	32,978,000
U. S. GOVT. STATUTORY DEBT LIMITATION—As of Sept. 30 (000's omitted):			
Total face amount that may be outstanding at any time	$293,000,000	$293,000,000	$295,000,000
Outstanding—			
Total gross public debt	288,423,332	288,672,218	288,296,022
Guaranteed obligations not owned by the Treasury	161,031	156,859	115,983
Total gross public debt and guaranteed obligations	$288,584,364	$288,829,078	$288,412,006
Deduct—Other outstanding public debt obligations not subject to debt limitation	403,843	404,188	414,806
Grand total outstanding	$288,180,520	$288,424,890	$287,997,199
Balance face amount of obligations issuable under above authority	4,819,479	4,575,109	7,002,800
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of Sept. 30	$288,584,364	$288,829,078	$288,412,006
General funds balance	8,316,868	5,894,234	7,016,559
Net debt	$280,267,496	$282,934,784	$281,395,447
Computed annual rate	3.170%	3.179%	3.137%

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

ACR Electronics Corp.
Sept. 28, 1960 filed 150,000 shares of common stock, 75,000 series I common stock purchase warrants, and 75,000 series II common stock purchase warrants, to be offered in units, each unit to consist of two common shares, one series I 5-year purchase warrant, and one 5-year series II warrant. Warrants are exercisable initially at $2 per share. **Price**—To be supplied by amendment. **Proceeds** — For salaries of additional personnel, liquidation of debt, research, and the balance for working capital. **Office**—551 W. 22nd Street, New York City. **Underwriters**—Globus, Inc. and Ross, Lyon & Co., Inc., both of New York City.

Adirondack Industries, Inc.
Oct. 13, 1960 filed 120,000 shares of common stock (par $1), of which 50,000 shares will be offered for the account of the issuing company and 70,000 shares, representing outstanding stock, will be offered for the Estate of Edward D. McLaughlin, company founder. **Price**—To be supplied by amendment. **Business**—The company, for whom this represents the first public offering, makes baseball bats and bowling pins. **Proceeds**—For general corporate purposes. **Office** — Dolgeville, N. Y. **Underwriter**—Shearson, Hammill & Co., New York City (managing). **Offering**—Expected in late November.

Adler Built Industries, Inc.
Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For acquisition and development of land and operating capital. **Office**—1201 W. 66th St., Hialeah, Fla. **Underwriter** — American Diversified Securities, Inc., Washington, D. C.

Aircraft Armaments, Inc. (11/18)
Sept. 26, 1960 filed 265,500 shares of common stock, to be offered by United Industrial Corp. to holders of UIC common on the basis of one Aircraft share for each 8 UIC shares held. **Price**—To be supplied by amendment. **Business**—The issuer, wholly owned by UIC, is engaged in applied research and development in various technical fields and works largely for the Department of Defense. **Office**—Cockeysville, Md. **Underwriter**—Eastman Dillon, Union Securities & Co., New York City (managing).

● **Alarm Device Manufacturing Co. Inc. (11/7-10)**
Sept. 19, 1960 filed 130,500 shares of outstanding common stock (par 10 cents). **Price** — $4 per share. **Business**—Manufacture and sale of burglar and fire alarm equipment. **Proceeds**—To selling stockholders. **Office**—1665 St. Marks Ave., Brooklyn, N. Y. **Underwriter**—Golkin, Bomback & Co., New York, N. Y.

All American Engineering Co. (11/15)
Sept. 27, 1960 filed 85,918 shares of common stock (par 10 cents), to be offered to holders of the outstanding common on the basis of one new share for each four shares held. **Price**—To be supplied by amendment. **Business**—The firm is engaged primarily, under government-sponsored contracts, in research, development, and manufacturing activities related to the aircraft, satellite, and missile fields. **Proceeds** — For general corporate purposes. **Office**—Du Pont Airport, Wilmington, Del. **Underwriter**—Drexel & Co., Philadelphia, Pa. (managing).

Allegri-Tech, Inc. (11/7-11)
Sept. 21, 1960 filed 100,000 shares of 50c par common stock. **Price** — $6 per share. **Business** — The company makes and sells printed circuitry and modules. **Proceeds** — To pay bank notes and other indebtedness incurred for equipment, to finance leasehold improvements, and for research and development expenses. **Office** — 141 River Road, Nutley, N. J. **Underwriter**—Myron A. Lomasney & Co., New York City.

Allied Bowling Centers, Inc.
Dec. 29 filed $750,000 of sinking fund debentures and 300,000 shares of capital stock, to be offered in units of $75 principal amount of debentures and 30 shares of stock. **Price**—$108 per unit. **Proceeds**—For general corporate purposes. **Office**—Arlington, Texas. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas. **Note** — This offering has been postponed.

● **Alloys Unlimited, Inc.**
Oct. 14, 1960 filed 135,000 shares of common stock (par 10¢), of which 75,000 shares are to be offered for the account of the company and 60,000 shares for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company manufactures certain components for such semiconductor devices as silicon and germanium transistors, diodes and rectifiers. **Proceeds**—For general corporate purposes including debt reduction. **Office**—21-01 43rd Ave., Long Island City, N. Y. **Underwriters**—Newburger, Loeb & Co. and C. E. Unterberg, Towbin Co., New York, N. Y. **Offering**—Expected in late November.

Continued on page 32

NEW ISSUE CALENDAR

October 27 (Thursday)

Chesapeake & Ohio Ry. — Equip. Trust Ctfs.
(Bids noon-Cleveland time) $3,750,000

Riegel Paper Corp. — Debentures
(Morgan Stanley & Co.) $10,000,000

October 28 (Friday)

Automatic Canteen Co. of America — Common
(Glore, Forgan & Co.) 540,266 shares

Electronics, Missiles & Communications, Inc. — Com.
(Frank Karasik & Co., Inc.) $300,000

Florida Hillsboro Corp. — Units
(P. W. Brooks & Co., Inc. and Lee Higginson Corp.) $1,000,000

Prospectors Airways Co., Ltd. — Capital
(Offering to stockholders—no underwriting) $1,140,000

Seaboard & Western Airlines, Inc. — Common
(Offering to stockholders—underwritten by Carl M. Loeb, Rhoades & Co.) 704,160 shares

October 31 (Monday)

Arnoux Corp. — Common
(Shearson, Hammill & Co.) 133,000 shares

Cavitron Corp. — Common
(No underwriting) $600,000

Deere (John) Credit Co. — Debentures
(Harriman Ripley & Co., Inc.) $50,000,000

Del Electronics Corp. — Common
(Standard Securities Corp. and Bruno-Lenchner, Inc.) $400,000

Dubrow Electronic Industries, Inc. — Common
(Woodcock, Moyer, Fricke & French, Inc.) $300,000

Electronic & Missile Facilities, Inc. — Common
(Hardy & Co.) 260,000 shares

Frouge Corp. — Common
(Van Alstyne, Noel & Co.) 175,000 shares

Frouge Corp. — Debentures
(Van Alstyne, Noel & Co.) $1,500,000

Heldor Electronics Manufacturing Corp. — Common
(S. Schramm & Co., Inc.) $300,000

Indian Head Mills, Inc. — Common
(Blair & Co. and F. S. Smithers & Co.) 60,000 shares

Industrial Hose & Rubber Co., Inc. — Common
(Schrijver & Co.) $500,000

Interstate Vending Co. — Common
(Bear, Stearns & Co.) 285,000 shares

Koeller Air Products, Inc. — Units
(Lloyd Securities) $200,000

Lawndale Industries, Inc. — Class A
(Paul C. Kimball & Co.) $500,000

Lawter Chemicals, Inc. — Capital
(Blunt Ellis & Simmons) 70,000 shares

Metcom, Inc. — Common
(Hayden, Stone & Co.) 100,000 shares

Model Finance Service, Inc. — Debentures
(Paul C. Kimball & Co.) $1,000,000

Model Finance Service, Inc. — Preferred
(Paul C. Kimball & Co.) 100,000 shares

Munsingwear, Inc. — Conv. Debentures
(Goldman, Sachs & Co. and Piper, Jaffray & Hopwood) $3,000,000

National Film Studios, Inc. — Common
(R. Baruch & Co.) $300,000

Navajo Freight Lines, Inc. — Common
(Hayden, Stone & Co. and Lowell, Murphy & Co.) 250,000 shares

Preferred Risk Life Assurance Co. — Common
(Preferred Investments, Inc.) $1,500,000

Simon Hardware Co. — Debentures
(J. S. Strauss & Co.) $900,000

Simon Hardware Co. — Common
(J. S. Strauss & Co.) 70,000 shares

Summers Gyroscope Co. — Common
(No underwriting) $4,802,412.75

Techni Electronics, Inc. — Common
(United Planning Corp.) $225,000

Tenax, Inc. — Debentures
(Myron A. Lomasney & Co.) $1,500,000

Transitron Electronics Corp. — Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 1,250,000 shares

United Gas Corp. — Bonds
(Bids 11:30 a.m. N. Y. time) $30,000,000

United Gas Corp. — Debentures
(Bids 11:30 a.m. N. Y. time) $30,000,000

White Avionics Corp. — Common
(Planned Investing Corp. and Fidelity Investors Service) $300,000

November 1 (Tuesday)

Automatic Radio Mfg. Co. Inc. — Common
(Paine, Webber, Jackson & Curtis) 623,750 shares

Berkshire Frocks, Inc. — Common
(Blair & Co. and Richter & Co.) 120,000 shares

Champion Spark Plug Co. — Common
(Blyth & Co., Inc.; Glore, Forgan & Co.; Hornblower & Weeks and Merrill Lynch, Pierce, Fenner & Smith, Inc.) 750,000 shares

Coastal Acceptance Corp. — Notes
(Shontell & Varick) $100,000

Dorsey Corp. — Debentures
(Blair & Co., Inc.) $3,500,000

Dorsey Corp. — Common
(Blair & Co., Inc.) 350,000 shares

Federal Street Fund, Inc. — Common
(Goldman, Sachs & Co.) $20,000,000

Fotochrome, Inc. — Common
(Shearson, Hammill & Co. and Emanuel Deetjen & Co.) 220,000 shares

High Point Ski Ways, Inc. — Common
(Osborne, Clark & Van Buren, Inc.) $300,000

Kingsport Press, Inc. — Common
(Lehman Brothers and W. H. Newbold's Sons & Co.) 125,000 shares

Major League Bowling & Recreation, Inc. — Com.
(Eastman Dillon, Union Securities & Co. and J. C. Wheat & Co.) 150,000 shares

Midwestern Acceptance Corp. — Units
(No underwriting) $1,169,470

Nissen Trampoline Co. — Common
(Jesup & Lamont) 85,000 shares

Nixon-Baldwin Chemicals, Inc. — Units
(Lee Higginson Corp. and P. W. Brooks & Co., Inc.) $4,000,000

Pacific Gas & Electric Co. — Bonds
(Bids 8:30 a.m. PST) $60,000,000

Weatherford (R. V.) Co. — Capital
(Blyth & Co., Inc.) 180,000 shares

November 2 (Wednesday)

Idaho Power Co. — Common
(Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith) 100,000 shares

Jahncke Service, Inc. — Common
(Hemphill, Noyes & Co.) 156,200 shares

Scott, Foresman & Co. — Common
(Smith, Barney & Co. Inc.) 683,000 shares

November 3 (Thursday)

Dalto Corp. — Common
(Offering to stockholders—underwritten by Sterling, Grace & Co.) $530,021.25

Georgia Power Co. — Bonds
(Bids 11:00 a.m. N. Y. time) $12,000,000

Omega Precision, Inc. — Common
(Pacific Coast Securities Co. and George, O'Neill & Co., Inc.) $300,000

November 4 (Friday)

Mary Carter Paint Co. — Common
(Lee Higginson Corp.) 375,000 shares

November 7 (Monday)

Alarm Device Manufacturing Co. Inc. — Common
(Golkin, Bomback & Co.) $522,000

Allegri-Tech, Inc. — Common
(Myron A. Lomasney & Co.) $600,000

Baruch (R.) & Co. — Common
(R. Baruch & Co.) $200,000

Clark Cable Corp. — Common
(Robert L. Ferman & Co.) $890,000

Cyclomatics, Inc. — Common
(General Securities Co.) $250,000

Does-More Products Corp. — Common
(H. L. Wright & Co., Inc.) $300,000

Foremost Industries, Inc. — Common
(Richard Bruce & Co., Inc.) $300,000

Gremar Manufacturing Co., Inc. — Common
(Milton D. Blauner & Co., Inc. and M. L. Lee Co., Inc.) 100,000 shares

Gulf Resources, Inc. — Common
(Amos Treat & Co., Inc.) $1,120,000

International Mosaic Corp. — Common
(B. G. Harris & Co., Inc.) $279,999

Kirk (C. F.) Laboratories, Inc. — Common
(Schrijver & Co.) $299,700

Metropolitan Telecommunications Corp. — Common
(M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc.) 25,000 shares

Metropolitan Telecommunications Corp. — Debens.
(M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc.) $600,000

Mohawk Insurance Co. — Common
(R. F. Dowd & Co., Inc.) $900,000

Nationwide Tabulating Corp. — Common
(Milton D. Blauner & Co., Inc.) $200,000

Paddington Corp. — Common
(Lee Higginson Corp. and H. Hentz & Co.) 36,498 shares

Robosonics, Inc. — Common
(Mandell & Kahn, Inc.) $900,000

Rotron Manufacturing Co., Inc. — Common
(W. E. Hutton & Co.) 130,000 shares

Still-Man Manufacturing Corp. — Class A
(Francis I. duPont & Co.) 150,000 shares

Telephone & Electronics Corp. — Common
(Equity Securities Co.) $264,900

Willer Color Television System, Inc. — Common
(Equity Securities Co.) $242,670

Wood-Mosaic Corp. — Common
(Cruttenden, Podesta & Co. and Berwyn T. Moore & Co., Inc.) 30,000 shares

November 8 (Tuesday)

Radar Measurements Corp. — Common
(Blaha & Co., Inc.) $299,950

November 10 (Thursday)

Standard Instrument Corp. — Common
(Havener Securities Corp.) 50,000 shares

Telex, Inc. — Common
(Lee Higginson Corp.) 196,000 shares

November 14 (Monday)

Amacorp Industrial Leasing Co., Inc. — Common
(McDonnell & Co., Inc.) 170,000 shares

Bzura Chemical Co., Inc. — Common
(P. W. Brooks & Co., Inc. and Lee Higginson Corp.) 450,000 shares

First Connecticut Small Business Investment Co. — Common
(Hill, Darlington & Grimm) $2,250,000

Gay (Connie B.) Broadcasting Corp. — Common
(Hill, Darlington & Co.) 130,000 shares

General Automation Corp. — Common
(Bertner Bros. and Earl Edden Co.) $200,000

Geophysics Corp. of America — Common
(C. E. Unterberg, Towbin Co.) 50,000 shares

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Sexton (John) & Co.—Common
(Hornblower & Weeks) 200,000 shares

Simplex Wire & Cable Co.—Capital
(Paine, Webber, Jackson & Curtis) 118,000 shares

Standard Pressed Steel Co.—Common
(Kidder, Peabody & Co.) 112,760 shares

Sulray, Inc.—Common
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $300,000

Tele-Tronics Co.—Common
(Woodcock, Moyer, Fricke & French, Inc.) $300,000

Texas Butadiene & Chemical Corp.—Common
(Blyth & Co., Inc. and Lehman Brothers) 635,800 shares

Vacudyne Associates, Inc.—Common
(Kenneth Kass; H. S. Simmons & Co., Inc. and B. N. Rubin & Co.) $200,000

Zurn Industries, Inc.—Common
(Lee Higginson Corp.) 200,000 shares

November 15 (Tuesday)

All American Engineering Co.—Common
Offering to stockholders—underwritten by Drexel & Co.) 85,918 shares

Brothers Chemical Co.—Common
(Sandkuhl & Company, Inc.) $300,000

Chemtronic Corp.—Common
(Jay W. Kaufman & Co.) $400,000

Coral Aggregates Corp.—Common
(Peter Morgan & Co. and Robinson & Co., Inc.) $400,000

Davega Stores Corp.—Debentures
(Amos Treat & Co., Inc.) $1,500,000

Drexel Dynamics Corp.—Common
(Warner, Jennings, Mandel & Longstreth) $600,000

Idaho Power Co.—Bonds
(Bids to be received) $15,000,000

Keyes Fibre Co.—Debentures
(Offering to stockholders—underwritten by Coffin & Burr, Inc.) $10,000,000

National Airlines, Inc.—Debentures
(Offering to stockholders—underwritten by Lehman Brothers) $10,288,000

New Jersey Bell Telephone Co.—Debentures
(Bids to be received) $20,000,000

Polymer Corp.—Common
(White, Weld & Co. and A. G. Edwards & Sons) 20,000 shares

Polymer Corp.—Conv. Debentures
(White Weld & Co. and A. G. Edwards & Sons) $2,750,000

Stop & Shop, Inc.—Common
(Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith, Inc.) 625,000 shares

United Bowling Centers, Inc.—Common
(Emanuel, Deetjen & Co and Hill, Darlington & Co.) 200,000 shares

November 16 (Wednesday)

Franklin Discount Co.—Debentures
(No underwriting) $300,000

Franklin Discount Co.—Notes
(No underwriting) $300,000

Goodrich (B. F.) Co.—Debentures
(Goldman, Sachs & Co.) $60,000,000

Matheson Co., Inc.—Common
(White, Weld & Co., Inc.) 160,000 shares

Merrimack Essex Electric Co.—Preferred
(Bids to be received) $7,500,000

Wisconsin Electric Power Co.—Bonds
(Bids 11:00 a.m.) $30,000,000

November 17 (Thursday)

Public Service Co. of New Hampshire—Bonds
(Bids 11:00 a.m. EST) $6,000,000

November 18 (Friday)

Aircraft Armaments, Inc.—Common
(Offering to UIC stockholders—underwritten by Eastman Dillon, Union Securities & Co.) 265,500 shares

November 21 (Monday)

Cannon Electric Co.—Common
(Kidder, Peabody & Co.) 200,000 shares

Carolina Metal Products Corp.—Common
(Arnold, Wilkens & Co.) $500,000

Foxboro Co.—Common
(Paine, Webber, Jackson & Curtis) 211,000 shares

Globe Security Systems, Inc.—Common
(Drexel & Co.) 100,000 shares

November 22 (Tuesday)

American Heritage Life Insurance Co.—Common
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Smith, Inc. and Pierce, Carrison, Wulbern, Inc.) 354,240 shares

Berman Leasing Co.—Common
(Eastman Dillon, Union Securities & Co.) 430,000 shares

Consolidated Edison Co. of New York—Bonds
(Bids to be received) $75,000,000

November 28 (Monday)

Andersen Laboratories, Inc.—Common
(Putnam & Co.) 150,000 shares

Living Aluminum, Inc.—Common
(Arnold Malkan & Co., Inc. and Sulco Securities, Inc.) $300,000

Madigan Electronic Corp.—Common
(McLaughlin, Kaufman & Co.) $467,500

Patrician Paper Co., Inc.—Units
(Hill, Darlington & Grimm) 100,000 units

Pik-Quik, Inc.—Common
(A. C. Allyn & Co., Inc.) 550,000 shares

Resisto Chemical, Inc.—Common
(Amos Treat & Co., Inc.) $500,000

November 29 (Tuesday)

Central Maine Power Co.—Bonds
(Bids 11:00 a.m. EST) $6,000,000

Ginn & Co.—Common
(White, Weld & Co.) 817,391 shares

December 1 (Thursday)

Speedry Chemical Products, Inc.—Debentures
(S. D. Fuller & Co.) $2,000,000

Speedry Chemical Products, Inc.—Common
(S. D. Fuller & Co.) 60,000 shares

December 5 (Monday)

Frisch's Restaurants, Inc.—Common
(Westheimer & Co.) 180,000 shares

Southern Bell Telephone & Telegraph Co.—Debs.
(Bids to be received) $75,000,000

December 6 (Tuesday)

Central Vermont Public Service Corp.—Preferred
(Hallgarten & Co.) 60,000 shares

Northern States Power Co. (Minn.)—Bonds
(Bids to be invited) $35,000,000

December 8 (Thursday)

James Brooks & Co., Inc.—Units
(Lloyd Haas & Co.) $450,000)

December 12 (Monday)

Consumers Power Co.—Bonds
(Bids 11:30 a.m. EST) $35,000,000

December 13 (Tuesday)

Public Service Electric & Gas Co.—Preferred
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) $25,000,000

December 15 (Thursday)

Stancil-Hoffman Corp.—Capital
(Pacific Coast Securities Co.) $300,000

January 9 (Monday)

Bell Electronic Corp.—Common
(Schwabacher & Co.) 136,000 shares

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● **Amacorp Industrial Leasing Co., Inc. (11/14-18)**
Sept. 9, 1960 filed 170,000 shares of common stock (no par), of which 40,000 shares, representing outstanding stock, will be offered for the account of a selling stockholder, and 130,000 shares will be offered for the account of the issuing company. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes. **Business**—The financing of industrial and office equipment through the purchase and leasing of such property to its customers. **Office**—Alhambra, Calif. **Underwriter**—McDonnell & Co., Inc., New York City (managing).

American Consolidated Mfg. Co., Inc.
Sept. 27, 1960 (letter of notification) 39,500 shares of common stock (par 33⅓ cents). **Price** — $5 per share. **Proceeds** — For advertising and promotion and accounts receivable. **Office**—835 N. 19th St., Philadelphia, Pa. **Underwriter**—Martin, Monaghan & Mulhern, Inc., Ardmore, Pa.

★ **American Federal Life Insurance Co.**
Oct. 13, 1960 (letter of notification) 100,000 shares of class B common stock (par $1). **Price** — $3 per share. **Proceeds** — For capital account of company. **Office** — 1017 N. Third Street, Phoenix, Ariz. **Underwriter** — None.

★ **American Heritage Life Insurance Co. (11/22)**
Oct. 24, 1960 filed 354,240 shares of common stock, to be offered to holders of the outstanding common of record Nov. 22 on the basis of one new share for each eight shares held. **Price** — To be supplied by amendment. **Business**—The company writes ordinary life, group life, and group accident and health insurance in 13 states and the District of Columbia. **Proceeds**—To be used to repay $1,481,006 of short-term indebtedness incurred in acquiring stock of Acme United Life Insurance Co., a new subsidiary of the issuer, with the remainder for general corporate purposes. **Office**—218 West Adams St., Jacksonville, Fla. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City, and Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla. (managing).

American Income Life Insurance Co.
Aug. 26, 1960 filed 90,174 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each 5⅓ shares held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—5th and Franklin, Waco, Texas. **Underwriters**—Ladenburg, Thalmann & Co. and Lee Higginson Corp., both of New York City (managing). **Note**—This stock is not qualified for sale in New York.

American Mortgage Investment Corp.
April 29 filed $1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

American Playlands Corp.
Aug. 22, 1960 filed 300,000 shares of common stock. **Price**—$4 per share. **Business**—The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office**—55 South Main St., Liberty, N. Y. **Underwriter**—M. W. Janis Co., Inc., New York City.

American Recreational Development Corp.
Sept. 7, 1960 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Proceeds**—For expenses in constructing and operating recreation centers. **Office** — 210 E. Lexington St., Baltimore 2, Md. **Underwriter**—Investment Securities Co. of Maryland, Baltimore, Md.

American & St. Lawrence Seaway Land Co.
Jan. 27 filed 538,000 shares of common stock, of which 350,000 shares are to be publicly offered. **Price**—$3 per share. **Proceeds**—To pay off mortgages, develop and improve properties, and acquire additional real estate. **Office**—60 E. 42nd St., New York City. **Underwriter**—A. J. Gabriel Co., Inc., New York City.

● **Ampal-American Israel Corp.**
Oct. 25, 1960 filed $5,000,000 of 7-year series I 6% sinking fund debentures. **Price**—At par. **Proceeds**—For various business enterprises in Israel. **Office** — New York City. **Underwriter**—None.

Andersen Laboratories, Inc. (11/28-12/2)
Sept. 28, 1960 filed 150,000 shares of common stock, of which 40,000 shares are to be offered for the account of the issuing company and 110,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—To reduce indebtedness, buy new tools, and add to working capital. **Office** — Hartford, Conn. **Underwriter** — Putnam & Co., Hartford, Conn. (managing).

● **Arnoux Corp. (10/31-11/4)**
May 23 filed 133,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes and working capital. **Office**—11924 W. Washington Blvd., Los Angeles, Calif. **Underwriter**—Shearson, Hammill & Co., New York.

● **Automatic Canteen Co. of America (10/28)**
Sept. 1, 1960 filed 540,266 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each 10 shares held of record Oct. 28 with rights to expire on Nov. 14 at 3:30 p.m. N. Y. Time. **Price**—To be supplied by amendment. **Proceeds**—$9,500,000 to pay for the acquisition of Commercial Discount Corp., with the balance for general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Glore, Forgan & Co., New York City (managing).

● **Automatic Radio Mfg. Co., Inc. (11/1)**
Sept. 9, 1960, filed 623,750 shares of common stock (par $1), of which 150,000 shares will be offered for the account of the issuing company and 473,750 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The firm makes and sells car and portable radios. **Proceeds**—For expansion, working capital, and possible acquisitions. **Office**—122 Brookline Ave., Boston, Mass. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Autosonics, Inc.
July 29, 1960 (letter of notification) 135,000 shares of common stock (par five cents). **Price**—$2 per share. **Proceeds**—For production and research for equipment, inventory, building and working capital. **Office**—42 S. 15th St., Philadelphia, Pa. **Underwriter**—Robert M. Harris & Co., Inc., Transportation Bldg., Philadelphia, Pa.

● **Avionics Investing Corp.**
July 12, 1960 filed 250,000 shares of capital stock (par $1). **Price** — $10 per share. **Business** — The issuer is a closed - end non - diversified management investment company. **Proceeds**—For investments in small business concerns in avionics and related fields, with a proposed limit of $800,000 to be invested in any one such enterprise. **Office** — 1000 - 16th Street, N. W., Washington, D. C. **Underwriter**—S. D. Fuller & Co., New York City. **Offering**—Expected sometime in November.

Bal-Tex Oil Co., Inc.
June 17, 1960 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For expenses for development of oil properties. **Office**—Suite 1150, First National Bank Bldg., Denver, Colo. **Underwriter**—L. A. Huey & Co., Denver, Colo.

Baruch (R.) & Co. (11/7-10)
Sept. 20, 1960 (letter of notification) 100,000 shares of common stock (par 75 cents). **Price** — $2 per share. **Business**—The issuer is a broker-dealer with the SEC, and a member of the NASD. **Proceeds**—To take positions and maintain markets in securities, participate in underwritings, and the balance for working capital. **Office**—1518 K St., N. W., Washington, D. C. **Underwriter**—Same.

● **Bell Electronic Corp. (1/9)**
Oct. 12, 1960 filed 136,000 shares of common stock, of which 86,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of the present holder thereof. **Price**—To be supplied by amendment. **Business**—The company, which was organized in May 1959, is a distributor of electronic parts and equipment manufactured by others. **Proceeds**—For inventory and to carry accounts receivable. **Office**—306 E. Alondra Blvd., Gardena, Calif. **Underwriter** — Schwabacher & Co., San Francisco, Calif.

Berkshire Frocks, Inc. (11/1-4)
Sept. 28, 1960 filed 120,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—127 Forsyth St., Boston, Mass. **Underwriters**—Blair & Co. and Richter & Co., both of New York City.

Berman Leasing Co. (11/22)
Sept. 27, 1960 filed 430,000 shares of common stock (par $1), of which 200,000 shares are to be offered for the account of the issuing company and 230,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The leasing, reconditioning, and sale of trucks, tractors, trailers, and related equipment. **Proceeds**—For general corporate purposes, including working capital. **Office**—Pennsburg, Pa. **Un-**

derwriter — Eastman Dillon, Union Securities & Co., New York City (managing).

★ **Bowl-Mor Co., Inc.**
Oct. 25, 1960 filed 78,955 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Business**—The company manufactures pin-sitting machines for various types of bowling games. **Proceeds**—For working capital and for costs of the company's entry into the "tenpin" bowling field. **Office** — Newton Road, Littleton, Mass. **Underwriters** — Paine, Webber, Jackson & Curtis, and Granbery, Marache & Co., both of New York City (managing).

★ **Bradford Pools, Inc.**
Oct. 24, 1960 filed 160,000 shares of class A common stock, with stock purchase warrants attached, to be offered in units consisting of five shares of stock and one warrant. **Price**—$10 per unit. **Business**—The construction, sale, and installation of pools in New Jersey and neighboring states. **Proceeds**—For general corporate purposes, including working capital. **Office** — 245 Nassau St., Princeton, N. J. **Underwriter**—R. A. Holman & Co., Inc., New York City. **Offering**—Expected sometime in November.

● **Bridgeport Gas Co.**
Sept. 2, 1960 filed 42,561 shares of common stock being offered to the holders of the outstanding common of record Oct. 17 on the basis of one new share for each six shares held with rights to expire on Nov. 15. **Price**—$27.50 per share. **Proceeds**—To be applied to the payment of bank loans incurred for property additions which are expected to approximate $1,800,000 in 1960. **Office**—815 Main St., Bridgeport, Conn. **Underwriter**—None.

● **Brothers Chemical Co. (11/15)**
Aug. 9, 1960 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Business**—Manufacturing chemicals. **Proceeds**—For general corporate purposes. **Office** — 575 Forest Street, Orange, N. J. **Underwriters**—Sandkuhl & Company, Inc., Newark, N. J. and New York City and Lloyd Haas Co., of New York City.

Business Finance Corp.
Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — $1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

● **Buzzards Bay Gas Co., Hyannis, Mass.**
June 7 filed 27,000 outstanding shares of common stock, to be offered for sale by American Business Associates. **Price** — To be supplied by amendment. **Underwriter**—Coffin & Burr, Inc., Boston, Mass. **Note**—This statement was withdrawn on Oct. 14.

● **Bzura Chemical Co., Inc. (11/14-18)**
Aug. 25, 1960 filed 450,000 shares of common stock (par 25 cents), an undetermined number of which will be offered for the account of the issuing company, with the remainder to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The company makes and sells citric acid. **Proceeds** — To expand the capacity of the parent company, Bzura, Inc., for the manufacture of fumaric acid, and to enable it to produce itaconic acid, with the balance for working capital. **Office**—Broadway & Clark Streets, Keyport, N. J. **Underwriters**—P. W. Brooks & Co., Inc., and Lee Higginson Corp., both of New York City (managing).

Campbell Chibougamau Mines, Ltd.
Oct. 14, 1960 filed 305,392 shares of common stock to be offered to warrant holders. **Price**—$4 per share. **Business**—The company owns and works mining properties. **Proceeds**—For general funds of the company. **Office**—55 Yonge St., Toronto, Canada. **Underwriter**—None.

● **Canaveral International Corp.**
Aug. 12, 1960 filed 300,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Land sales and development. **Proceeds**—$150,000 for accounts payable, $335,000 for mortgage and interest payments, $250,000 for advertising, $250,000 for development costs and $290,000 for general working capital. **Office**—1766 Bay Road, Miami Beach, Fla. **Underwriter** — S. Schramm & Co., Inc., New York City. **Offering** — Expected in mid-to-late November.

● **Cannon Electric Co. (11/21-25)**
Sept. 26, 1960 filed 200,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Business**—Designs and makes electrical connectors and related wiring devices. **Proceeds**—To selling stockholders, two members of the Cannon family. **Office**—3208 Humboldt Street, Los Angeles, Calif. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Carhart Photo, Inc.
Sept. 7, 1960 (letter of notification) 150,000 shares of Class A preferred stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—105 College Ave., Rochester, N. Y. **Underwriter**—Doolittle & Co., Buffalo, N. Y. **Offering**—Expected in early November.

Caribbean American Corp.
Sept. 14, 1960 filed 459,500 shares of capital stock. **Price**—$2 per share. **Business**—Caribbean real estate. **Proceeds** — For general corporate purposes. **Office** — 615 Robinson Bldg., 15th & Chestnut Sts., Philadelphia, Pa. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia, Pa.

Caribbean & Southeastern Development Corp.
Sept. 28, 1960 filed 140,000 shares of common stock. **Price**—$5.25 per share. **Proceeds**—For investment in land in the Caribbean area, development of a site in Atlanta, Ga., and the balance for general corporate purposes. **Office**—4358 Northside Drive, N. W., Atlanta, Ga. **Underwriter**—To be supplied by amendment.

Carolina Metal Products Corp. (11/21)
Sept. 28, 1960 filed 100,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds** — Repayment of indebtedness, machinery and equipment, and the balance for working capital. **Office** — 2222 S. Blvd., Charlotte, N. C. **Underwriter**—Arnold, Wilkens & Co., New York City.

Caruso Foods, Inc.
Sept. 2, 1960 (letter of notification) 150,000 shares of common stock (par three cents). **Price** — $2 per share. **Business**—Food processing. **Proceeds**—For general corporate purposes. **Office**—2891-99 Nostrand Ave., Brooklyn, N. Y. **Underwriter** — Searight, Ahalt & O'Connor, Inc., New York, N. Y.

● **Cavitron Corp. (10/31-11/4)**
July 17, 1960 filed 40,000 shares of common stock. **Price**—At-the-market. **Proceeds**—To finance the company's anticipated growth and for other general corporate purposes. **Office**—42-15 Crescent St., Long Island City, N. Y. **Underwriter**—None.

● **Central Maine Power Co. (11/29)**
Oct. 19, 1960 filed $6,000,000 of first and general mortgage bonds, series X, due 1990. **Proceeds**—To repay bank loans, for construction, and the balance for general corporate purposes. **Office**—9 Green St., Augusta, Me. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Harriman Ripley & Co.; First Boston Corp. and Coffin & Burr (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly). **Bids**—Expected to be received on Nov. 29 at 11:00 a.m. **Information Meeting**—Tentatively scheduled for Nov. 21.

● **Central Maine Power Co.**
Oct. 19, 1960 filed 120,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans. **Office**—9 Green St., Augusta, Me. **Underwriters** — Harriman Ripley & Co., Inc., and First Boston Corp., both New York City, and Coffin & Burr, Boston, Mass. (managing). **Offering**—Expected in mid-November.

★ **Central Vermont Public Service Corp. (12/6)**
Oct. 7, 1960 filed 60,000 shares of second preferred stock convertible series A (par $50). **Price**—To be supplied by amendment. **Proceeds** — For repayment of outstanding short-term borrowings and for general corporate purposes. **Office**—77 Grove St., Rutland, Vt. **Underwriter**—Hallgarten & Co., New York, N. Y.

● **Century Acceptance Corp.**
Sept. 29, 1960 filed $1,000,000 of 6½% junior subordinated debentures, due 1975, with five-year warrants for the purchase of 80,000 shares of regular common shares. The debentures are to be offered at par, and in units of one $500 debenture with warrants for 40 shares. **Proceeds**—For working capital and general corporate purposes. **Office**—1334 Oak Street, Kansas City, Mo. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo. (managing). **Offering**—Expected in late November.

● **Champion Spark Plug Co. (11/1)**
Sept. 23, 1960 filed 750,000 shares of outstanding common stock (par $1.66). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders, members of the Stranahan family. **Office** — Toledo, O. **Underwriters**—Blyth & Co., Inc. (handling the books), Glore, Forgan & Co., Hornblower & Weeks, Merrill Lynch, Pierce, Fenner & Smith Inc. (managing).

Chart-Pak, Inc.
Sept. 27, 1960 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$6 per share. **Proceeds**—For working capital. **Office**—1 River Rd., Leeds, Mass. **Underwriter**—Schirmer, Atherton & Co., Boston, Mass.

Charter Design & Manufacturing Corp.
Sept. 20, 1960 (letter of notification) 90,000 shares of common stock (par 10 cents). **Price** — $3.30 per share. **Proceeds**—To purchase the assets of Rosander Co., pay obligations owed to banks and for working capital. **Office**—2701 14th Ave., South, Minneapolis, Minn. **Underwriter**—Jamieson & Co., Minneapolis, Minn.

Chemplate Corp.
Sept. 27, 1960 (letter of notification) 26,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—To purchase physical assets of Kanigen division of General American Transportation Co. in California. **Address**—Los Angeles, Calif. **Underwriter** — Keon & Co., Los Angeles, Calif. **Offering**—Imminent.

● **Chemtronic Corp. (11/15-30)**
Sept. 2, 1960 filed 200,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The company makes and sells miniature electrolytic capacitors. **Proceeds**—For general corporate purposes, including the repayment of bank loans and the addition of technical personnel. **Office**—309 11th Ave., South, Nashville, Tenn. **Underwriter**—Jay W. Kaufmann & Co., New York City.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

Citizens Telephone Co.
Oct. 11, 1960 (letter of notification) 23,000 shares of common stock (no par) of which 12,000 shares are to be offered for subscription by common stockholders on the basis of one share for each five shares presently held. **Price**—$13 per share. **Proceeds**—For expenses for operating a telephone company. **Office**—220 W. Monroe St., Decatur, Ind. **Underwriter** — City Securities Corp., Indianapolis, Ind.

● **Clark Cable Corp. (11/7-10)**
Aug. 23, 1960 filed 222,500 shares of common stock, of which 127,500 shares are to be offered for the account of the issuing company and 95,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$4 per share. **Proceeds** — To reduce indebtedness, with the balance for working capital. **Office** — Cleveland, O. **Underwriter**—Robert L. Ferman & Co., Miami, Fla. (managing).

● **Coastal Acceptance Corp. (11/1)**
Oct. 3, 1960 (letter of notification) $100,000 of 10-year 7% registered series notes, to be offered in denominations of $100 to $1,000 each. **Price**—At face value. **Proceeds**—For working capital. **Office**—36 Lowell St., Manchester, N. H. **Underwriter** — Shontell & Varick, Manchester, N. H.

● **Commercial Credit Co. (11/14-18)**
Oct. 10, 1960 filed $50,000,000 of senior notes, due 1980. **Price** — To be supplied by amendment. **Proceeds** — For working capital. **Underwriters**—First Boston Corp. and Kidder, Peabody & Co. (handling the books).

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

★ **Consolidated Edison Co. of New York, Inc. (11/22)**
Oct. 20, 1960 filed $75,000,000 of first and refunding mortgage bonds, series S, due Dec. 1, 1990. **Proceeds**—For expansion. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp. **Bids**—Expected Nov. 22. **Information Meeting**—Scheduled for Nov. 16 at 10:00 a.m. at the company's office, 4 Irving Place, New York City.

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

Consolidated Southern Companies, Inc.
Sept. 30, 1960 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For the closing payment on a building, repayment of an outstanding loan and for working capital. **Office**—Suite 656, 800 Peachtree St., N. E., Atlanta, Ga. **Underwriter**—Atlanta Shares, Inc., same address as the company.

★ **Consumers Power Co. (12/12)**
Oct. 21, 1960 filed first mortgage bonds in the amount of $35,000,000, maturing in 1990 to be sold for the best price obtainable but not less favorable to the company than a 5¼% basis. **Proceeds**—To be used to finance the continuing expansion and improvement of the company's electric and gas service facilities in a 65-county area outside of Greater Detroit. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriter** — To be determined by competitive bidding. Probable bidders: For bonds—Halsey, Stuart & Co. Inc.; White, Weld & Co., and Shields & Co. (jointly); Morgan Stanley & Co.; The First Boston Corp., and Harriman Ripley & Co., Inc. **Bids**—Expected to be received on Dec. 12 up to 11:30 a.m., at 300 Park Ave., New York City. **Information Meeting**—Scheduled for Dec. 9 at 11:00 a.m., Bankers Trust Co., 16 Wall St., New York City, 12th floor.

Cook Coffee Co.
Oct. 19, 1960 filed 100,000 shares of outstanding common stock (par $1). **Price** — To be supplied by amendment. **Business** — Wholesale and retail grocery business. **Proceeds**—To three selling stockholders. **Office**—16501 Rockside Road, Maple Heights, Cleveland 37, Ohio. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

● **Coral Aggregates Corp. (11/15)**
Aug. 25, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company intends to engage in the extraction and sale of rock. **Proceeds**—For equipment, working capital, and the retirement of indebtedness, with the balance for general corporate purposes. **Office**—7200 Coral Way, Miami, Fla. **Underwriters**—Peter Morgan & Co., New York City, and Robinson & Co., Inc., Philadelphia, Pa.

● **Cormany Corp.**
Sept. 21, 1960 (letter of notification) 91,000 shares of common stock to be sold at par ($2.50 per share). **Business**—Makes and leases oil well testing equipment. **Proceeds**—To buy such equipment and to develop new tools. **Office**—2427 Huntington Drive, San Marino, Calif. **Underwriter** — Jacoby, Daigle & Werner, Inc., 541 South Spring St., Los Angeles, Calif. **Offering**—Imminent.

Cove Vitamin & Pharmaceutical Inc.
Sept. 30, 1960 filed 108,000 shares of common stock (par 50 cents), and five-year warrants for the purchase of an additional 54,000 shares of common stock to be offered in units, each unit to consist of two shares and a warrant for the purchase of one share. **Price** — To be supplied by amendment. **Business**—Mail order marketing of vitamins through department stores. **Proceeds** — To implement the company's merchandising plan and for working capital. **Office**—26 The Place, Glen Cove, L. I., N. Y. **Underwriter** — Hill, Thompson & Co., Inc., New York, N. Y.

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Cryogenics Inc.
Aug. 16, 1960 filed 175,000 shares of common stock. **Price**—$2 per share. **Proceeds**—To repay a bank loan, for salaries, operating expenses, purchase of land, construction of a new laboratory and working capital. **Office**—Washington, D. C. **Underwriter**—John R. Maher Associates, New York City.

● **Cyclomatics Inc. (11/7-10)**
Aug. 31, 1960 filed 250,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Business**—Motorized and automatic health equipment. **Proceeds** — For inventory and working capital. **Office**—Astoria, L. I., N. Y. **Underwriter**—General Securities Co., 101 W. 57th St., N. Y. 19, N. Y.

Daffin Corp.
Aug. 22, 1960, filed 150,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company makes agricultural implements, feed grinding and mixing equipment for the livestock industry, and conveying and seed cleaning equipment. **Proceeds**—To selling stockholders. **Office**—Hopkins, Minn. **Underwriters**—Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing). **Offering**—Indefinitely postponed.

Dakota Underwriters, Inc.
Aug. 3, 1960 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To pay outstanding notes and the remainder for general corporate purposes. **Office**—214 W. Third St., Yankton, S. C. **Underwriter**—Professional Insurers and Investors Ltd., 104 E. 8th St., Denver, Colo.

● **Dalto Corp. (11/3)**
March 29 filed 431,217 shares of common stock to be offered for subscription by holders of such stock of record Oct. 7 at the rate of one-and-a-half new shares for each share then held. **Price**—$1.25 per share. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—Sterling, Grace & Co., 50 Broad St., New York City.

★ **Damon, Doudt Corp.**
Oct. 6, 1960 (letter of notification) 2,500 shares of class A capital stock (no par) and 2,500 shares of preferred capital stock (par $100) to be offered in units consisting of one share of preferred and one share of common capital stock. **Price**—$100 per unit. **Business**—The company was organized solely for bidding in the proposed sale by the United States Government of Ellis Island, New York Harbor. **Proceeds**—For securing title to the island. **Office**—17 E. 48th Street, New York 17, N. Y. **Underwriter**—None.

Davega Stores Corp. (11/15)
Sept. 7, 1960, filed $1,500,000 of 6% convertible subordinated debentures, due 1975, to be offered to holders of its common stock pursuant to preemptive rights. **Price**—$100 per debenture. **Business**—The company operates a chain of 29 retail stores in the metropolitan New York areas in which it sells various electrical appliances and sporting goods and apparel. **Proceeds**—For general corporate purposes, including fixtures and inventory for two new retail discount centers. **Office** — 215 Fourth Ave., New York City. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Deere (John) Credit Co. (10/31-11/4)
Sept. 16, 1960 filed $50,000,000 of series A debentures, due 1985. **Price**—To be supplied by amendment. **Business**—The purchase of retail instalment paper from the 14 domestic sales branches operated by Deere & Co. subsidiaries. **Proceeds** — For general corporate purposes. **Underwriter**—Harriman Ripley & Co., Inc., New York City (managing).

● **Del Electronics Corp. (10/31-11/4)**
July 26, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company makes, from its own designs, and sells high voltage power supplies, transformers, chokes, and reactors. **Proceeds**—For working capital, relocation, and expansion. **Office**—521 Homestead Ave., Mount Vernon, New York. **Underwriters** — Standard Securities Corp., New York City, and Bruno-Lenchner, Inc., Pittsburgh, Pa.

Delta Design, Inc.
Sept. 28, 1960 filed 100,000 shares of capital stock. **Price**—$4.50 per share. **Business** — Development of vacuum system components. **Proceeds** — For acquisition of land and construction of a factory; purchase of new machinery and tooling; inventory and working capital. **Office**—3163 Adams Ave., San Diego, Calif. **Underwriter**—None.

Designatronics, Inc.
Sept. 28, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $2.25 per share. **Business**—Manufacturers of electronic equipment. For general corporate purposes. **Office** — 199 Sackett St., Brooklyn, N. Y. **Underwriters** — Cortlandt Investing Corp.; Rothenberg, Heller & Co., Inc. and Joseph Nadler & Co., Inc., New York, N. Y.

Detroit Tractor, Ltd.
May 26 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

Diketan Laboratories, Inc.
Sept. 30, 1960 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To increase inventory, purchase new equipment, for research and new product development and working capital. **Office** — 9201 Wilshire Blvd., Beverly Hills, Calif. **Underwriter** — Holton, Henderson & Co., Los Angeles, Calif.

Does-More Products Corp. (11/7-10)
Oct. 12, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds** — To pay notes payable, purchase inventory, for purchase of die and equipment and additional working capital. **Office**—201 W. Semmes St., Osceola, Ark. **Underwriter**—H. L. Wright & Co., Inc., New York, N. Y.

Dorsett Electronics Laboratories, Inc.
Sept. 15, 1960 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The design and manufacture of various electronic data handling and control systems. **Proceeds**—For debt reduction, and for working capital for the issuer and its subsidiaries. **Address**—P. O. Box 862, Norman, Okla. **Underwriter**—To be named by amendment.

Dorsey Corp. (11/1)
Sept. 1, 1960 filed $3,500,000 of 6½% sinking fund debentures, due October, 1975, with warrants for the purchase of 140,000 common shares, together with 350,000 common shares. **Price**—For the 140,000 shares, $12 per share; for the 350,000 shares the price will be supplied by amendment. **Business**—The design, manufacture, and distribution of all types of highway trailers except those carrying liquids. **Proceeds**—$7,000,000 will be supplied to the purchase of all the outstanding capital stock of Chattanooga Glass Co., with the balance for general corporate purposes. **Office** — 485 Lexington Ave., New York City. **Underwriter**—Blair & Co., Inc., New York City (managing).

Drexel Dynamics Corp. (11/15)
Aug. 26, 1960 filed 100,000 shares of common stock (no par). **Price**—$6 per share. **Business**—Research, development, and production in the fields of mechanics, electronics, optics, and functional systems. **Proceeds**—The net proceeds, estimated at $511,740, will be used for product development ($100,000), payment of notes ($16,000), and working capital ($395,740). **Office**—Philadelphia, Pa. **Underwriter** — Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa. (managing).

★ **Drexel Equity Fund, Inc.**
Oct. 25, 1960 filed 500,000 shares of common stock (par 10 cents). **Price**—$10.20 per share. **Business**—This is a new mutual fund, organized as a closed-end fund on Oct. 19, which will become open-end pursuant to the public sale of these shares. **Proceeds**—For portfolio investment. **Office**—1500 Walnut Street, Philadelphia, Pa. **Distributor and Investment Adviser**—Drexel & Co., Philadelphia, Pa. **Offering**—Expected in mid December.

● **Dubrow Electronic Industries Inc. (10/31-11/4)**
Sept. 7, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents.) **Price**—$3 per share. **Business**—Electronic equipment for military use. **Proceeds**—For general corporate purposes. **Office**—235 Penn St., Burlington, N. J. **Underwriter** — Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

● **East Alabama Express, Inc.**
April 1 (letter of notification) 77,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To repay notes payable, reduce equipment purchase obligations, accounts payable and for working capital. **Office**—109 M Street, Anniston, Ala. **Underwriter**—First Investment Savings Corp., Birmingham, Ala. **Note**—This letter was withdrawn on Aug. 30.

Edwards Industries, Inc.
Sept. 27, 1960 filed 100,000 shares of common stock. **Price**—$4.50 per share. **Proceeds** — For land, financing of homes, and working capital relating to such activities. **Office**—Portland, Oreg. **Underwriter**—Joseph Nadler & Co., Inc., New York City (managing). **Offering**—Expected in late November to early December.

Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds**—To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

Electro-Mechanics Co.
Oct. 4, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For working capital. **Address**—Westlake Hills, Tex. **Underwriter**—James C. Tucker & Co., Inc., Austin, Tex.

Electro-Nuclear Metals, Inc.
Aug. 31, 1960 (letter of notification) 250,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase new equipment, rental and for administrative costs. **Office**—115 Washington Blvd., Roseville, Calif. **Underwriter**—A. J. Taranto & Co., Carmichael, Calif.

Electronic & Missile Facilities Inc. (10/31-11/4)
Sept. 23, 1960 filed 260,000 shares of common stock (par 25 cents). **Price**—To be supplied by amendment. **Business**—Builds and installs facilities for the armed forces and also does work for civilian public works agencies. **Proceeds**—For general corporate purposes including expansion. The additional funds will also enable the firm to furnish bonds necessary to bid on larger Government contracts. **Office**—2 Lafayette St., New York City. **Underwriter**—Hardy & Co., New York City.

Electronic Specialty Co.
June 2 filed 150,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds in anticipation of capital requirements, possibly to include acquisitions. **Office**—5121 San Fernando Road, Los Angeles, Calif. **Underwriters**—Reynolds & Co., Inc. of New York City and Bateman, Eichler & Co. of Los Angeles, Calif. **Offering**—Indefinitely postponed.

● **Electronics, Missiles & Communications, Inc. (10/28-11/4)**
Sept. 13, 1960 filed 150,000 shares of 10 cent par common stock. **Price**—$2 per share. **Business**—The company will make and sell communications equipment. **Proceeds**—For working capital. **Office**—262-264 East Third St., Mt. Vernon, N. Y. **Underwriter**—Frank Karasik & Co., Inc., 285 Madison Avenue, New York 17, N. Y.

Fairmount Finance Co.
May 6 (letter of notification) 58,000 shares of class A common stock (par $5). **Price**—At par ($5 per share). **Proceeds**—For working capital. **Office**—5715 Sheriff Road, Fairmount Heights, Md. **Underwriter**—J. T. Patterson & Co., Inc., 40 Exchange Place, New York, N. Y.

Federal Street Fund, Inc. (11/1-4)
Sept. 26, 1960 filed a minimum of $20,000,000 market value of shares of its $1 par common stock. **Price**—To be supplied by amendment. **Business**—The company is a newly organized open-end mutual fund. **Proceeds**—For investment. **Office**—140 Federal St., Boston, Mass. **Dealer-Manager** — Goldman, Sachs & Co., New York City (managing).

First American Investment Corp.
Oct. 14, 1960 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Business**—Insurance. **Proceeds**—To acquire control of Western Heritage Life Insurance Co. of Phoenix, and to organize subsidiaries. **Office**—2222 N 16th St., Phoenix, Ariz. **Underwriter**—None.

First Connecticut Small Business Investment Co. (11/14-18)
Aug. 12, 1960 filed 225,000 shares of common stock (par $1). **Price**—$10 per share. **Proceeds**—To retire $150,000 of debentures, and for capital for loans for small businesses. **Office**—955 Main St., Bridgeport, Conn. **Underwriter**—Hill, Darlington & Grimm, of New York City.

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. **Price**—$12.50 per share. **Proceeds** — To provide investment capital. **Office**—Tampa, Fla. **Underwriter**—None.

● **Florida Hillsboro Corp. (10/28)**
Aug. 16, 1960 filed $1,000,000 of junior lien bonds, 7% series, due 1975, and 150,000 shares of common stock, to be offered in units of a $500 bond and 75 shares of common stock. **Price** — $500 per unit. **Proceeds** — For property improvements, the repayment of indebtedness, and the balance for working capital. **Office**—Ft. Lauderdale, Fla. **Underwriters** — P. W. Brooks & Co. Inc. and Lee Higginson Corp. (for the common only), both of New York City.

Florida Suncoast Land & Mining Co.
Sept. 30, 1960 filed 1,050,000 shares of common stock, of which 330,000 shares are to be offered in exchange for certain lands and assets, and the balance will be for public sale. **Price**—To be supplied by amendment. **Proceeds** — For the acquisition and development of land, mining operations and equipment, and the balance for working capital. **Office**—Tarpon Springs, Fla. **Underwriter**—None.

Ford Electronics Corp.
Oct. 4, 1960 (letter of notification) 150,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—To pay a loan, pay a balance under creditors agreement, and for working capital. **Office**—11747 Vose St., North Hollywood, Calif. **Underwriter**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif.

Foremost Industries, Inc. (11/7-10)
Oct. 14, 1960 (letter of notification) 100,000 shares of common stock (par 50 cents). **Price**—$3 per share. **Business**—Manufacturers of stainless steel food service equipment used by department, drug and variety chain stores, and institutions. **Proceeds**—For expansion; to repay a loan; advertising, sales and promotion; for working capital and general corporate purposes. **Office**—250 W. 57th St., New York, N. Y. **Underwriter**—Richard Bruce & Co., Inc., New York, N. Y.

Fotochrome, Inc. (11/1-4)
Sept. 16, 1960 filed 220,000 shares of $1 par common stock, of which 200,000 shares are to be offered for the account of the issuing company and 20,000 shares, representing outstanding stock, is to be offered for the account of the present holder thereof. **Price**—To be supplied by amendment. **Business**—Film processing, the distribution of film and related supplies, and the design, development, and sale of automatic processing equipment. **Proceeds**—For general corporate purposes, including debt reduction, and the purchase of inventories of photographic supplies. **Office**—1874 Washington Ave., New York City. **Underwriters**—Shearson, Hammill & Co. and Emanuel, Deetjen & Co., both of New York City (managing).

● **Foxboro Co. (11/21-25)**
Oct. 18, 1960 filed 211,000 shares of common stock, of which 125,000 shares are to be offered for the account of the issuing company and 86,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including warehouse and plant facilities. **Office**—38 Neponset Ave., Foxboro, Mass. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Franklin Discount Co. (11/16)
Aug. 23, 1960, filed $300,000 of 8% subordinated convertible debentures, due serially 1966-1968, and $300,000 of 8% subordinated capital notes due eight years, eight months and eight days after date of issue. **Prices**—At par. **Business**—The company is engaged in the consumer finance or small loan business, and, to a lesser extent,

in the purchasing of car, boat, and appliance installment sales contracts from dealers. **Proceeds**—For general corporate purposes. **Office**—105 North Sage Street, Toccoa, Ga. **Underwriter**—None.

● Frisch's Restaurants, Inc. (12/5-9)
Oct. 18, 1960 filed 180,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Cincinnati, O. **Underwriter**—Westheimer & Co., Cincinnati, O. (managing).

Frouge Corp. (10/31-11/4)
July 22, 1960 filed $1,500,000 of 6½% convertible subordinated debentures, due September 1975, and 175,000 shares of common stock (par $1), of which filing 50,000 of the common shares are to be offered for the account of selling stockholders and the balance for the account of the issuing company. **Price** — To be supplied by amendment. **Business**—The company is engaged in the construction business, both as a general contractor and as a builder for its own account. **Proceeds** — For debt reduction and working capital. **Office**—141 North Ave., Bridgeport, Conn. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing).

Garsite Corp.
Oct. 12, 1960 filed 100,000 shares of common stock. **Price**—$3 per share. **Business**—A hydrant jet fueling company. **Proceeds**—Expansion. **Office**—Seaford, L. I., N. Y. **Underwriter**—Theodore Arrin & Co., Inc., 82 Beaver St., New York City.

(Connie B.) Gay Broadcasting Corp. (11/14-18)
Sept. 9, 1960 filed 130,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries own and operate radio and television stations. **Proceeds**—For the acquisition of a television station and two radio stations in Missouri. **Office** — 4000 Albemarle St., N. W., Washington, D. C. **Underwriter** — Hill, Darlington & Co., New York City (managing).

General Automation Corp. (11/14-18)
Sept. 30, 1960 (letter of notification) 100,000 shares of common stock (par two cents). **Price**—$2 per share. **Business**—Manufacture of machinery. **Proceeds**—For general corporate purposes. **Office**—40-66 Lawrence St., Flushing, N. Y. **Underwriters**—Bertner Bros. and Earl Edden Co., New York, N. Y.

General Development Investment Plans, Inc.
Oct. 6, 1960 filed 1,285 of Investment Plans. **Price**—To be offered for public sale with sales commissions ranging from 8% to 10%, depending upon the type of mortgage financing involved. **Proceeds**—For investment in Port St. Lucie Country Club homes, on the east coast of Florida. **Business**—The company is a wholly-owned subsidiary of General Development Corp., whose principal business is the development of large tracts of land into planned communities. **Office**—2828 S. W. 22nd Street, Miami, Fla. **Underwriter**—None.

General Sales Corp.
April 28 filed 90,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—$75,000 will be used for additional working capital, inventories and facilities for the Portland Discount Center; $75,000 for the same purposes in the Salem Center; and $50,000 to provide working capital for General Sales Acceptance Corp. for credit sales to member customers. The balance of the proceeds will be used to open two new stores in Oregon and Idaho. **Office** — 1105 N. E. Broadway, Portland, Ore. **Underwriter**—A. J. Gabriel & Co., Inc., New York City.

Geophysics Corp. of America (11/14-18)
Sept. 28, 1960 filed 50,000 shares of common stock of which 18,750 shares are to be offered for the account of the issuing company and the remaining 31,250 for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** — For working capital. **Office**—New Bedford, Mass. **Underwriter**—C. E. Unterberg, Towbin Co., New York City (managing).

Georgia Power Co. (11/3)
Sept. 26, 1960 filed $12,000,000 of 30-year first mortgage bonds due 1990. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); The First Boston Corp. **Bids**—Expected to be received on Nov. 3 at the office of Southern Services, Inc., Room 1600, 250 Park Avenue, N. Y. C., up to 11 a.m., New York Time. **Information Meeting**—Scheduled for Oct. 31 between 2:30 p.m. and 4:30 p.m. at the Chemical Bank New York Trust Co., 11th floor, 100 Broadway, New York City.

Ginn & Co. (11/29)
Oct. 10, 1960 filed 817,391 shares of common stock (par $1), of which 173,300 shares will be offered for the account of the issuer, and 644,091 shares will be offered for the account of selling stockholders. **Price** — To be supplied by amendment. **Business**—Publication and distribution of text books and related educational materials for schools. **Proceeds**—To reimburse the company's treasury for redemption costs of its preferred stock, and the balance for working capital. **Office**—Statler Office Bldg., Boston, Mass. **Underwriter** — White, Weld & Co., New York City.

Glas Foam Corp.
Sept. 28, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For boat molds, to pay off a mortgage and for working capital. **Address**—Hialeah, Fla. **Underwriter**—Martinelli & Co., Inc., New York, N. Y.

Globe Security Systems, Inc. (11/21-25)
Oct. 13, 1960 filed 100,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—Supplying plant security and uniformed guard and investigatory services to industrial and commercial customers. **Proceeds**—For debt reduction, working capital, expansion, and possibly acquisitions. **Office**—2011 Walnut St., Philadelphia, Pa. **Underwriter**—Drexel & Co., Philadelphia, Pa. (managing).

★ Golden Crest Records, Inc.
Oct. 25, 1960 filed 85,000 shares of 10c par class A common stock. **Price**—$3 per share. **Proceeds**—The firm will use the proceeds of its first public offering for working capital and general corporate purposes. **Office**—Huntington, L. I., N. Y. **Underwriter**—Dean Samitas & Co., Inc., 11 Broadway, New York City. **Offering**—Expected in January.

Gold Medal Packing Corp.
June 17, 1960, filed 100,000 shares of 25c convertible preferred stock (par $4). **Price**—At par. **Proceeds**—Approximately $150,000 will be used to discharge that portion of its obligation to Jones & Co. pursuant to which certain inventories are pledged as collateral. The indebtedness to Jones & Co. was initially incurred on June 15, 1960 in connection with refinancing the company's obligations to a bank. In addition, $15,000 will be used for the construction of an additional smokehouse, and the balance will be used for general corporate purposes. **Office**—614 Broad Street, Utica, N. Y. **Business**—The company is engaged in the processing, packing and distribution of meats and meat products, principally sausage products, smoked meats, bacon, and meat specialties. It also sells certain dairy products. **Underwriter**—Ernst Wells, Inc., 15 William Street, New York City.

● Goodrich (B. F.) Co. (11/16)
Oct. 19, 1960 filed $60,000,000 of sinking fund debentures due Nov. 15, 1985. **Price**—To be supplied by amendment. **Proceeds**—For capital expenditures and investment outlays and working capital. **Address**—230 Park Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York, N. Y. (managing).

● Gremar Manufacturing Co., Inc. (11/7-10)
Sept. 20, 1960 filed 100,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—Manufactures coaxial cable connectors and associated fittings for the electronic and electrical industries. **Proceeds** — For general corporate purposes, including debt reduction, inventory and construction. **Office**—7 North Ave., Wakefield, Mass. **Underwriters**—Milton D. Blauner & Co., Inc. and M. L. Lee Co., Inc., New York, N. Y.

Gro-Rite Shoe Co., Inc.
Oct. 12, 1960 (letter of notification) an undetermined number of shares of common stock (par $1). **Price**—The offering will not exceed $300,000. **Proceeds**—For working capital. **Address**—Route 2, Box 129, Mount Gilead, N. C. **Underwriter**—American Securities Co., Charlotte, N. C.

★ Guild Musical Instrument Corp.
Oct. 25, 1960 filed 110,000 shares of common stock. **Price**—$3 per share. **Proceeds** — For general corporate purposes, including debt reduction, machinery and equipment, inventory, and working capital. **Office**—Hoboken, N. J. **Underwriter**—Michael G. Kletz & Co., Inc., New York City.

Gulf Resources, Inc. (11/7)
Sept. 2, 1960 filed 140,000 shares of common stock (par 10 cents). **Price**—$8 per share. **Business**—Gathering natural gas in Zapata and Starr Counties, Texas. **Proceeds**—For general corporate purposes. **Office** — 20 Broad Street, New York City. **Underwriter**—Amos Treat & Co., Inc., New York City.

● Heldor Electronics Manufacturing Corp. (10/31-11/4)
June 29, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 238 Lewis Street, Paterson, N. J. **Underwriter**—S. Schramm & Co., Inc., New York, N. Y.

★ Heller, (Walter E.) & Co.
Oct. 42, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—About $1,000,000 to purchase preferred stock of Nationwide Investment Co., about $1,000,000 to purchase securities of an as yet unorganized firm tentatively named "Credit Acceptance Co.," and the remainder for general corporate purposes. **Office**—105 West Adams St., Chicago, Ill. **Underwriters** — F. Eberstadt & Co. and Dean Witter & Co., both of New York City (managing). **Offering**—Expected in late December to early January.

★ High Point Ski Ways, Inc. (11/1)
Oct. 17, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Operation of a ski area, ice-skating rink, open air theatre, skeet and other shooting ranges. **Proceeds**—For general corporate purposes. **Address**—Port Jervis, N. Y. **Underwriter**—Osborne, Clark & Van Buren, Inc., New York, N. Y.

Hilltop, Inc.
Aug. 17, 1960 filed $1,650,000 of 6% subordinated debentures, due 1980, and 1,650 shares of class A common stock, to be offered in units of one $1,000 debenture and one class A share. **Price** — To be supplied by amendment. **Business**—The principal business of the company, which was organized under Kansas law in June, 1959, will be the owning, acquiring, improving, developing, selling, and leasing of improved and unimproved real property. **Proceeds**—To reduce funded debt. **Office**—401 Columbian Bldg., Topeka, Kan. **Underwriter**—None.

Home Builders Acceptance Corp.
July 15, 1960 filed 1,000,000 shares of common stock (par 50c). **Price**—$1 per share. **Business**—The company is engaged in real estate financing and lending. **Proceeds**—For general corporate purposes. **Office** — 409 N. Nevada, Colorado Springs, Colo. **Underwriter**—None.

● Horizon Land Corp.
Aug. 29, 1960 filed $1,500,000 of 7% subordinated convertible debentures, due October 1970, and 150,000 series III, common stock purchase warrants, to be offered in units consisting of a $1,000 debenture and 100 warrants. **Price** — $1,000 per unit. **Business** — Buying and selling land. **Proceeds**—For general corporate purposes, including land acquisition and advertising expenses. **Office**—Tucson, Ariz. **Underwriter**—Ross, Lyon & Co., Inc., New York City. **Note**—This statement was withdrawn on Oct. 20.

Howell Instruments Inc.
Oct. 4, 1960 filed 140,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Address** — Fort Worth, Texas. **Underwriters**—G. H. Walker & Co., New York, N. Y. and Dewar, Robertson & Pancoast, San Antonio, Tex.

★ Hydroswift Corp.
Oct. 20, 1960 filed 70,000 shares of common stock. **Price**—$5 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office** — 1750 South 8th St., Salt Lake City, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

I C Inc.
June 29 filed 600,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

● Idaho Power Co. (11/2)
Sept. 21, 1960 filed 100,000 shares of $10 par common stock. **Price**—To be supplied by amendment. **Proceeds**—For repayment of bank loans. **Underwriters** — Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Idaho Power Co. (11/15)
Sept. 21, 1960 filed $15,000,000 of first mortgage bonds due 1990. **Proceeds**—For capital expenditures, etc. **Underwriter**—(For the bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Lazard Freres & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. **Bids**—Expected to be received on Nov. 15. **Information Meeting**—Scheduled for Nov. 10 at 11:00 a.m. at the Bankers Trust Co., 16 Wall St., New York City.

Illinois Beef, L. & W. S., Inc.
April 29 filed 200,000 shares of outstanding common stock. **Proceeds**—To selling stockholders. **Price**—$10 per share. **Office**—200 South Craig Street, Pittsburgh, Pa. **Underwriters**—Amos Treat & Co., Inc., New York, and Bruno Lenchner, Inc., Pittsburgh, Pa.

● Indian Head Mills, Inc. (10/31-11/4)
Aug. 10, 1960 filed 60,000 shares of outstanding common stock (par $1), of which 50,000 shares are to be offered for the account of present holders, and the remaining shares being registered pursuant to an option agreement. **Price**—To be supplied by amendment. **Business**—Production and distribution of fabrics, and related services for fabric converters. **Proceeds**—To selling stockholders. **Office**—111 W. 40th Street, New York City. **Underwriters**—Blair & Co. and F. S. Smithers & Co., both of New York City (managing).

● Industrial Hose & Rubber Co., Inc. (10/31-11/4)
Aug. 31, 1960 filed 125,000 shares of common stock. **Price**—$4 per share. **Proceeds** — Toward the repayment of notes, new machinery, additional inventory, and the balance for working capital. **Office** — Miami, Fla. **Underwriter**—Schrijver & Co., New York City (managing).

Intercoast Companies, Inc.
Aug. 16, 1960 filed 110,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To pay the balance due on the purchase of Western Life shares, and the balance will be added to the general funds to finance the development of general life insurance agency and for working capital. **Office**—Sacramento, Calif. **Underwriter**—Schwabacher & Co., San Francisco, Calif. and New York City.

International Diode Corp.
July 29, 1960 filed 42,000 shares of 6% non-cumulative convertible preferred stock (par $8). **Price** — $8 per share. **Business**—Makes and sells diodes. **Proceeds**—To establish a staff of production and sales engineers, finance new product development, buy equipment, and add to working capital. **Office**—90 Forrest St., Jersey City, N. J. **Underwriter**—Ernst Wells, Inc., New York City.

International Mosaic Corp. (11/7-10)
Sept. 30, 1960 (letter of notification) 93,333 shares of common stock (par 10 cents). **Price**—$3 per share. **Business** — Manufacture of glass mosaics by machines and processes. **Proceeds** — For general corporate purposes. **Office**—45 East 20th St., New York 3, N. Y. **Underwriter**—B. G. Harris & Co., Inc., New York, N. Y.

● International Safflower Corp.
Aug. 3, 1960 (letter of notification) 60,000 shares of class A common stock (par $2). **Price**—$5 per share. **Proceeds**—To retire outstanding loans, purchase of planting seed, lease or purchase land, building and machinery

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and for working capital. **Office** — 350 Equitable Bldg., Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo. **Note**—This letter is to be withdrawn and refiled in about 30 days.

● Interstate Vending Co. (10/31)
Sept. 7, 1960, filed 285,000 shares of common stock (par $1), of which 250,000 shares will be offered for the account of the issuing company and 35,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. (The registration statement includes an additional 206,250 shares, all outstanding, of which 100,000 shares may be offered at the market from time to time. The holders of the other 106,250 shares have advised the issuing company that no present disposition of their shares is planned.) **Price** —To be supplied by amendment. **Business**—The company sells various products through coin-operated vending machines in 22 States, and designs and makes certain vending machines for its own use. Proceeds—For acquisitions, working capital, and new equipment. **Office**—251 E. Grand Ave., Chicago, Ill. **Underwriter** — Bear, Stearns & Co., New York City (managing).

● Investors Preferred Life Insurance Co.
Sept. 26, 1960 (letter of notification) 150,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds** —For capital and surplus accounts. **Office**—522 Cross St., Little Rock, Ark. **Underwriter** — Life Securities, Inc., P. O. Box 3662, Little Rock, Ark.

Irving Fund for Investment in U. S. Government Securities, Inc.
July 22, 1960, filed 400,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—To be supplied by amendment. **Attorneys** — Brinsmade & Shafrann, 20 Pine Street, New York 5, N. Y.

Jahncke Service Inc. (11/2)
Sept. 3, 1960 filed 156,200 shares of common stock, of which 121,200 shares are to be offered for the account of the company and 35,000 shares by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** —For acquisitions and working capital. **Office**—New Orleans, La. **Underwriter** — Hemphill, Noyes & Co., New York City (managing).

★ James Brooks & Co., Inc. (12/8)
Oct. 24, 1960 filed $400,000 of 12% subordinated debentures, due 1980, 50,000 shares of common stock, and warrants for the purchase of 50,000 common shares, to be offered in units consisting of $400 of debentures, 50 common shares, and warrants for the cash purchase of 50 shares. **Price**—$450 per unit. **Business**—The retail sale in two Bronx, N. Y., stores of furniture, appliances, cameras, photo supplies, and related items. **Proceeds**—To reduce accounts payable to factors, with the balance for working capital. **Office**—542 E. 138th Street, New York City. **Underwriter**—Lloyd Haas & Co., New York City.

Jonker Business Machines, Inc.
Sept. 30, 1960 filed 50,000 common stock units, each unit to consist of one share of class A common and 3 shares of class B common, to be offered for subscription by holders of its common stock. **Price**—The price and the basis of the rights offering will be supplied by amendment. **Proceeds**—To establish sales and information centers, establish distributorships, expansion, and the balance for working capital. **Office**—404 No. Frederick Ave., Gaithersburg, Md. **Underwriter** — Hodgdon & Co., Inc., Washington, D. C.

Kanavau Corp.
Sept. 30, 1960 filed 250,000 shares of common stock (par $1). **Price**—$10 per share. **Business**—A real estate investment company. **Proceeds**—For acquisition of properties, working capital and general corporate purposes. **Office**—415 Lexington Ave., New York, N. Y. **Underwriter**—Ira Investors Corp., New York, N. Y.

Keyes Fibre Co. (11/15)
Oct. 4, 1960 filed $10,000,000 of convertible subordinated debentures, due 1985, with attached warrants for the purchase of 500,000 shares of common stock, to be offered to holders of outstanding preferred and common stock, on the basis of $100 of debentures for each 15 shares of common or preferred held. **Price**—To be supplied by amendment. **Proceeds**—Construction of a new plant, additional equipment, and the balance for working capital. **Office**—Upper College Avenue, Waterville, Maine. **Underwriter**—Coffin & Burr, Inc., Boston, Mass.

● Kings Electronics Co., Inc.
May 26 filed 200,000 shares of common stock (par 10 cents) and 100,000 common stock purchase warrants. The company proposes to offer these securities for public sale in units, each consisting of one share of common stock and one-half common stock purchase warrant. Price—$4 per unit. Proceeds—$165,000 will be applied to the repayment of certain loans, $75,000 for development and design work by a subsidiary in the field of infra-red instrumentation, $100,000 for continued research in the design, development and production of components for microwave instruments, and the balance for working capital. Office—40 Marbledale Road, Tuckahoe, N. Y. Underwriters — Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co., all of New York City. Offering—Expected in November.

● Kingsport Press, Inc. (11/1)
Sept. 27, 1960 filed 125,000 shares fo $1.25 par common stock of which 70,000 shares are to be offered for the account of the issuing company and 55,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof, including three company officers. Price—To be supplied by amendment. Business—Makes hard bound books. Proceeds—For expansion. Address—c/o Corp. Trust Co., Wilmington, Del. Underwriters — Lehman Brothers, New York City, and W. H. Newbold's Son & Co., Philadelphia (managing).

● Kirk (C. F.) Laboratories, Inc. (11/7-10)
Sept. 28, 1960 (letter of notification) 99,900 shares of common stock (par 20 cents). **Price**—$3 per share. **Business**—Manufacturers of drugs. **Proceeds** — For general corporate purposes. **Office**—521 West 23rd St., New York, N. Y. **Underwriter**—Schrijver & Co., New York, N. Y.

Klondex Inc.
Sept. 1, 1960 (letter of notification) 149,000 shares of class A stock (par one cent). **Price**—$2 per share. **Business**—Distributors of silver sensitized photo copy papers, chemicals and engineering photo reproduction materials. **Proceeds**—For general corporate purposes. **Office**—470 Clinton Ave., S., Rochester, N. Y. **Underwriter**—Schrijver & Co., New York, N. Y. **Offering**—Imminent.

● Koeller Air Products, Inc. (10/31-11/4)
Aug. 31, 1960 filed 100,000 shares of common stock (par 5 cents) and 500,000 warrants to be offered in units, each unit to consist of 2 shares of common stock and 1 warrant. Each full warrant is convertible into one share of common within a year from the date of offering at $2 per share. **Price**—$4 per unit. **Business**—The firm distributes hydrogen, nitrogen, oxygen, and welding equipment. **Proceeds** — For general corporate purposes. **Office**—596 Lexington Ave., Clifton, N. J. **Underwriter**—Lloyd Securities, 150 Broadway, New York City.

LP Gas Savings Stamp Co., Inc.
Sept. 27, 1960 (letter of notification) 30,000 shares of common stock **Price**—At par ($10 per share). **Proceeds** —For purchase of creative design and printing of catalogs, stamp booklets, advertising and for working capital. **Office**—300 W. 61st St., Shreveport, La. **Underwriter** —International Sales & Investment, Inc., 4501 North Blvd., Baton Rouge, La.

● Lawndale Industries, Inc. (10/31-11/4)
Aug. 15, 1960 filed 100,000 shares of class A stock. **Price** —$5 per share. **Business**—The manufacture of porcelain enameled steel plumbing fixtures. **Proceeds** — For the construction and equipping of a new plant, and the reduction of outstanding bank loans. **Office** — Haven & Russell Aves., Aurora, Ill. **Underwriter**—Paul C. Kimball & Co. of Chicago, Ill.

● Lawter Chemicals, Inc. (10/31-11/4)
Sept. 19, 1960 filed 70,000 shares of capital stock of which 20,000 shares are first to be offered to certain personnel of the company and certain friends of its management. **Price** — To be supplied by amendment. **Business**—Manufacture and sale of printing ink vehicles, fluorescent pigments and coatings, and synthetic resins. **Proceeds**—For general corporate purposes. **Office**—3550 Touhy Ave., Chicago, Ill. **Underwriter** — Blunt Ellis & Simmons, Chicago, Ill.

Leadville Water Co.
June 28, 1960 (letter of notification) $220,000 of 20-year 6% series A first mortgage coupon bonds to be offered in denominations of $1,000. **Price**—At par. **Proceeds**—For a mortgage payment, outstanding notes, construction of a new water supply and general corporate purposes. **Office**—719 Harrison Ave., Leadville, Colo. **Underwriter** —H. M. Payson & Co., Portland, Me.

Liberian Iron Ore Ltd.
May 19 joined with The Liberian American-Swedish Minerals Co., Monrovia, Liberia, in the filing of $15,000,000 of 6¼% first lien collateral trust bonds, series A, due 1980, of Lio, $15,000,000 of 6¼% subordinated debentures due 1985 of Lio, an unspecified number of shares of Lio capital stock, to be offered in units. The units will consist of $500 of collateral trust bonds, $500 of debentures and 15 shares of capital stock. Price—For units, to be supplied by amendment, and not to be in excess of par. Proceeds—To make loans to Lamco. Office —97 Queen St., Charlottetown, Prince Edward Island, Canada, N. S. Underwriter—White, Weld & Co., Inc., New York. Note — This offering has temporarily been postponed.

Lifetime Pools Equipment Corp.
July 1, 1960, filed 100,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—Engaged in the manufacture and selling of fiber glass swimming pools. **Proceeds**—$125,000 will be used to purchase machinery and equipment; $200,000 to purchase raw materials, parts and components; $40,000 for sales and advertising promotion; $30,000 for engineering and development; and the balance will be added to working capital. **Office**—Renovo, Pa. **Underwriter**—First Pennington Corp., Pittsburgh, Pa. **Offering**—Expected in late November.

Lionel Corp.
Sept. 2, 1960 filed $4,471,600 of 5½% convertible subordinated debentures, due Oct. 15, 1980, being offered for subscription to holders of the outstanding common stock of record Oct. 17, on the basis of $100 of debentures for each 23 shares then held with rights to expire at 3:30 p.m. EST on Nov. 1. **Price**—100%. **Proceeds**—To reduce indebtedness, expand the research and development program, and add to working capital. **Office**—28 Sager Place, Irvington, N. J. **Underwriter** — Granbery, Marache & Co., New York City (managing).

Living Aluminum, Inc. (11/28-12/2)
Oct. 3, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—Manufacturers of aluminum furniture and other household products. **Proceeds**—For additional equipment; purchase of a building; plant expansion and working capital. **Office**—40 Gazza Blvd., Farmingdale, N. Y. **Underwriters** —Arnold Malkan & Co., Inc. and Sulco Securities, Inc., New York, N. Y.

Mac Charge Plan & Northern Acceptance Corp.
Sept. 21, 1960 (letter of notification) 60,000 shares of common stock class A (par 60 cents). **Price**—$5 per share. **Proceeds**—For company expansion. **Office**—5 E. Centre St., Baltimore, Md. **Underwriters**—Sade & Co., Bellamah, Neuhauser & Barrett, Washington, D. C., McCarley & Co., Asheville, N. C. and Murphy & Co., Denver, Colo.

Madigan Electronic Corp. (11/28-12/2)
Oct. 5, 1960 filed 110,000 shares of common stock (par 10 cents). **Price**—$4.25 per share. **Business**—The design, manufacture and sale of electronic equipment for use primarily in weapons and data processing systems. **Proceeds**—Reduction of indebtedness and working capital. **Office**—200 Stonehinge Lane, Carle Place, N. Y. **Underwriter**—McLaughlin, Kaufman & Co., New York City.

● Major League Bowling & Recreation, Inc. (11/1)
Sept. 16, 1960 filed 150,000 shares of common stock ($1 par). **Price**—To be supplied by amendment. **Business**—The corporation operates or has under construction 17 bowling centers in the southeastern part of the U. S. **Proceeds**—To complete centers and for the development or acquisition of additional centers. **Office**—Richmond, Va. **Underwriters**—Eastman Dillon, Union Securities & Co., New York City, and J. C. Wheat & Co., Richmond, Va. (managing).

Marine & Electronics Manufacturing Inc.
Sept. 22, 1960 (letter of notification) 100,000 shares of common stock class A (par 10 cents). **Price**—$3 per share. **Proceeds**—For expenses in the fabrication of sheet metal parts for missiles, rockets, radar and marine items. **Address**—Hagerstown, Md. **Underwriter**—Batten & Co., Washington, D. C.

● Mary Carter Paint Co. (11/4)
Sept. 23, 1960 filed 375,000 shares of class A common stock (par $1), of which 75,000 shares are to be offered for the account of the issuing company, and 300,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The firm makes various paint products for retail distribution. **Proceeds**—For debt reduction, expansion, and working capital. **Office**—666 Fifth Ave., New York City. **Underwriter** —Lee Higginson Corp., New York City (managing).

Matheson Co., Inc. (11/16)
Sept. 27, 1960 filed 160,000 shares of common stock ($1 par), of which 40,000 shares are to be offered for the account of the issuing company and 120,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company sells chemical gases, chemicals, regulators and valves. **Proceeds** — To redeem all the outstanding shares of 6% cum. preferred stock at $21 per share, with the remainder to be added to the issuer's general funds. **Office**—932 Paterson Plank Road, East Rutherford, N. J. **Underwriter**—White, Weld & Co., Inc., New York City (managing).

Merrimack-Essex Electric Co. (11/16)
Sept. 20, 1960 filed 75,000 shares of cumulative preferred stock (par $100). **Proceeds**—For reduction of short-term indebtedness. **Business**—The issuer is a subsidiary of the New England Electric System and conducts its business of generating, buying, and selling electricity in northeastern Massachusetts. It sells appliances related to its business. **Office**—205 Washington St., Salem, Mass. **Underwriter** — To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. and Eastman Dillon, Union Securities & Co. (jointly); First Boston Corp. **Bids**—Expected to be received on Nov. 16. **Information Meeting**—Scheduled for Nov. 4.

● Metcom, Inc. (10/31-11/4)
Sept. 2, 1960 filed 100,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The company makes microwave tubes and devices. **Proceeds**—For working capital, machinery and equipment, the retirement of a mortgage loan, and research and development. **Office** — 76 Lafayette Street, Salem, Mass. **Underwriter** — Hayden, Stone & Co., New York City.

● Metropolitan Telecommunications Corp. (11/7-10)
Sept. 27, 1960 filed $600,000 of convertible subordinated debentures, to be offered for the account of the issuing company, and 25,000 shares of outstanding common stock, to be offered for the account of four company officers, the selling stockholders. **Prices**—For the debentures, at par; for the common, to be supplied by amendment. **Business**—The company makes and sells electronic and communications equipment. **Proceeds**—For general corporate purposes including debt reduction, working capital, and expansion. **Office** — Ames Court, Plainview, N. Y. **Underwriters**—M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc., both of New York City (managing).

Meyer (Geo.) Manufacturing Co.
Sept. 19, 1960 filed 146,300 shares of common stock. **Price** —To be supplied by amendment. **Business**—To design, manufacture and sell specialized high speed machinery and equipment for use in packaging, bottling, filling, closing, electronically inspecting, labeling, banding, cleaning, etc. **Proceeds** — To selling stockholders, the owning family. **Address** — Cudahy, Wis. **Underwriter**—Robert W. Baird & Co., Milwaukee, Wis. **Offering**—Expected in early November.

Mid-America Life Insurance Co.
Oct. 11, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price** — $2.75 per share. **Proceeds**—For capital and surplus accounts. **Office**—318

Northwest 13th St., Oklahoma City, Okla. **Underwriter**—F. R. Burns & Co., Oklahoma City, Okla.

• Mid-States Business Capital Corp.
Sept 9, 1960, filed 750,000 shares of common stock (par $1). **Price**—$11 per share. **Business**—The company will invest in small business concerns. **Proceeds** — For general corporate purposes. **Office**—411 N. 7th St., St. Louis, Mo. **Underwriters**—Carl M. Loeb, Rhoades & Co., New York City, and Scherck, Richter Co., St. Louis, Mo (managing). **Offering**—Expected sometime in November.

• Midwestern Acceptance Corp. (11/1)
Sept. 8, 1960, filed 1,169,470 shares of common stock and $994,050 of 6% debentures, to be offered for public sale in units of one share of stock and 85¢ of debentures. **Price** — $1 per unit. **Business** — The company will do interim financing in the home building industry. **Proceeds** — To start its lending activities. **Address** — P. O Box 886, Rapid City, S. D. **Underwriter**—None.

• Minitronics, Inc.
Aug. 26, 1960 (letter of notification) 100,000 shares of class A common stock (par 20 cents). **Price**—$3 per share. **Business**—To manufacture a new type of micro-miniature magnetic relay. **Proceeds** — For general corporate purposes. **Office**—373 Broadway, New York, N. Y. **Underwriter**—David Barnes & Co., Inc., New York, N. Y. **Offering**—Imminent.

Missouri Public Service Co.
Aug. 1, 1960 filed 258,556 shares of common stock (par $1) being offered to the holders of the outstanding common of record Oct. 19 on the basis of one new share for each eight shares held with rights to expire on Nov. 3 at 3:00 p.m. CST. **Price**—$19.25 per share. **Proceeds**—To reduce short-term bank loans incurred in 1959-60 for construction expenses. **Office** — Kansas City, Mo. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Mobile Credit Corp.
Sept. 14, 1960 filed 25,874 shares of common stock and 1,000 shares of $100 par 6% cumulative convertible preferred stock. The stock will be offered for subscription by shareholders of record on the basis of two shares of new common for each three such shares held and one share of new preferred for each 38.81 common shares held, the record date in each case being Sept. 1, 1960. **Prices**—For common, $10 per share; for preferred, $100 per share. **Business**—The purchase of conditional sales contracts from dealers in property so sold, such as mobile homes, trailers, boats, and motorcycles. **Proceeds**—For working capital. **Office**—100 E. Michigan Ave., Jackson, Mich. **Underwriter**—None.

Model Engineering & Manufacturing Corp.
Sept. 21, 1960 filed 140,000 shares of common capital stock. **Price**—To be supplied by amendment. **Business**—The company makes and sells equipment for the electrical, automotive, and aviation industries. **Proceeds**—To reduce indebtedness and for working capital. **Office**—50 Frederick St., Huntington, Ind. **Underwriter**—Raffensperger, Hughes & Co., Indianapolis, Ind. (managing) **Offering**—Expected in mid-November.

Model Finance Service, Inc. (10/31-11/4)
May 26 filed 100,000 shares of second cumulative preferred stock—65c convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975 **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill.

Modern Pioneers' Life Insurance Co.
Sept. 26, 1960 (letter of notification) 81,896 shares of common stock (par $1) to be offered to policyholders of the company. **Price** — $2 per share. **Proceeds** — For working capital. **Office**—811 N. Third St., Phoenix, Ariz. **Underwriter** — Associated General Agents of North America.

Mohawk Insurance Co. (11/7-10)
Aug. 8, 1960, filed 75,000 shares of class A common stock **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co. Inc., 39 Broadway, New York 6, N. Y.

• Mortgage Guaranty Insurance Corp.
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. **Proceeds**—For capital and surplus. **Office**—606 West Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Bache & Co., New York City (managing). **Note**—This stock is not qualified for sale in New York State. **Offering**—Expected in late November.

• Munsingwear, Inc. (10/31-11/4)
Sept. 23, 1960 filed $3,000,000 of convertible subordinated debentures, due Oct. 1, 1980. **Price**—To be supplied by amendment. **Business**—Manufacturer of apparel. **Proceeds**—Repayment of bank loans. **Office**—718 Glenwood Ave., Minneapolis, Minn. **Underwriters**—Goldman, Sachs & Co., New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn.

• National Airlines, Inc. (11/15)
Sept. 21, 1960 filed $10,288,000 of convertible subordinated debentures, due 1975, to be offered for subscription by holders of the outstanding common stock on the basis of $100 of debentures for each 18 common shares held. **Price**—To be supplied by amendment. **Business**—Domestic and international transport of persons, property, and mail. **Proceeds**—To make payments on planes and reduce short-term indebtedness, with the balance for general corporate purposes. **Office** — Miami International Airport, Miami, Fla. **Underwriter** — Lehman Brothers, New York City (managing).

• National Film Studios, Inc. (10/31-11/4)
Sept. 20, 1960 (letter of notification) 150,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For expansion of the business. **Office**—Washington, D. C. **Underwriter**—R. Baruch & Co., 1518 K St., N. W., Washington, D. C.

National Lawnservice Corp.
Jan. 11 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 410 Livingston Avenue, North Babylon, N. Y. **Underwriter** —Fund Planning Inc., New York, N. Y. **Offering**—Indefinite.

National Western Life Insurance Co.
Sept. 13, 1960 filed 225,000 shares of common stock. **Price** —To be supplied by amendment. **Proceeds**—Together with the proceeds from the sale of shares to be issued as a result of options, in the amount of $1,106,407.50 for the discharge of indebtedness and general corporate purposes. **Office**—Denver, Colo. **Underwriter**—Peters, Writer & Christensen Inc., Denver, Colo. **Offering** — Expected sometime in December.

• Nationwide Tabulating Corp. (11/7-14)
Sept. 19, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Tabulating of industry and government records. **Proceeds**—For general corporate purposes including working capital. **Office**—384 Clinton St., Hempstead, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., New York, N. Y.

• Navajo Freight Lines, Inc. (10/31-11/4)
May 9, 1960, filed (with the ICC) 250,000 shares of common stock, of which 189,000 shares, being outstanding stock, will be offered for the account of the present holders thereof, and 61,000 shares will be offered for the account of the issuing company. **Price**—To be supplied by amendment. **Office**—1205 So. Plate River Drive, Denver 23, Colo. **Underwriters**—Hayden, Stone & Co. and Lowell, Murphy & Co. (jointly).

★ New Jersey Bell Telephone Co. (11/15)
Oct. 21, 1960 filed $20,000,000 of 40-year debentures. **Proceeds**—To reduce indebtedness and to supply funds for capital expenditures, which are expected to reach a record high of $105,000,000 in 1960. **Office**—Newark, N. J. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Morgan Stanley & Co.; First Boston Corp. **Bids**—Expected Nov. 15.

★ New Western Underwriting Corp.
Oct. 25, 1960 filed $2,000,000 of 15-year 6% subordinated convertible debentures. **Price**—At par. **Office**—Helena, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Kook Bldg., 3203 3rd Ave., North, Billings, Mont.

Nissen Trampoline Co. (11/1-4)
Sept. 20, 1960 filed 85,000 shares of common stock. **Price** —To be supplied by amendment. **Proceeds**—For general corporate purposes, including working capital. **Office**—Cedar Rapids, Ia. **Underwriter** — Jesup & Lamont, New York City.

• Nixon-Baldwin Chemicals, Inc. (11/1-2)
Aug. 24, 1960 filed $4,000,000 of 6½% subordinated debentures, due Oct. 1, 1980, and 160,000 shares of common stock, to be offered in units. Each unit will consist of $500 principal amount of debentures and an unannounced number of common shares. **Price**—$500 per unit. **Business**—The manufacturing and sale of rigid thermoplastic sheeting, rods, tubes, and other forms. **Proceeds**—To pay part of the cost of acquiring certain assets of Nixon Nitration Works; part of the proceeds will be used for working capital. **Office**—Nixon, N. J. **Underwriters**—Lee Higginson Corp. and P. W. Brooks & Co., Inc., both of New York City (managing).

Normandy Oil & Gas, Inc.
Aug. 31, 1960 filed 750,000 shares of common stock. **Price** —$1 per share. **Business**—Oil and gas exploration and production. **Proceeds** — For general corporate purposes. **Office**—620 Oil & Gas Bldg., Wichita Falls, Texas. **Underwriter**—None, but 102,500 of the shares are reserved for commissions to selling brokers at the rate of 15 shares for each 100 shares sold.

★ Northern Natural Gas Co.
Oct. 21, 1960 filed $20,000,000 of sinking fund debentures, due 1980. **Price**—To be supplied by amendment. **Proceeds**—For construction, the reduction of indebtedness incurred for construction, and the purchase of securities of subsidiaries for their property additions and acquisitions. **Office** — 2223 Dodge St., Omaha, Neb. **Underwriter**—Blyth & Co., Inc., N. Y. City (managing).

North Washington Land Co.
May 3 filed $1,600,000 of first mortgage participation certificates. **Price**—The certificates will be offered at a discount of 17.18% from face value. **Proceeds**—For the primary purpose of refinancing existing loans. **Office**—1160 Rockville Pike, Rockville, Md. **Underwriter**—Investor Service Securities, Inc.

Nuclear Engineering Co., Inc.
April 18 (letter of notification) 30,000 shares of common stock (par 33.3 cents). **Price**—$10 per share. **Proceeds** —To replace bank financing, reduce accounts payable, purchase machinery and equipment and for working capital. **Office**—65 Ray St., Pleasanton, Calif. **Underwriter**—Pacific Investment Brokers, Inc., Seattle, Wash

Nu-Line Industries, Inc.
Sept. 28, 1960 filed 200,000 shares of common stock, of which 175,000 shares are to be offered for the account of the issuing company and 25,000 shares, representing outstanding stock, are to be offered for the account of the issuer's president. **Price**—To be supplied by amendment. **Proceeds**—For capital equipment, research, sales development, and working capital. **Office**—Minneapolis, Minn. **Underwriter**—Kalman & Co., Inc., St. Paul, Minn. (managing).

• Omega Precision, Inc. (11/3)
Sept. 26, 1960 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price** — $2.50 per share. **Business**—Manufacturers of electronic equipment. **Proceeds**—For general corporate purposes, including working capital. **Address**—Azusa, Calif. **Underwriters**—Pacific Coast Securities Co., San Francisco, Calif. and George, O'Neill & Co., Inc., New York, N. Y.

• Pacific Gas & Electric Co. (11/1)
Oct. 10, 1960 filed $60,000,000 of first and refunding mortgage bonds series FF, due 1992. **Proceeds**—For general corporate purposes, including the payment of bank loans incurred for expansion, which expense will approximate $152,000,000 in 1960. **Office** — 245 Market Street, San Francisco 6, Calif. **Underwriter**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly). **Bids**—Expected to be received on Nov. 1 at the company's office, 2nd floor, 245 Market St., San Francisco, Calif., up to 8:30 a.m. PST.

• Paddington Corp. (11/7-10)
Sept. 28, 1960 filed 56,498 shares of outstanding common stock. **Price**—To be related to the price of the stock on the American Stock Exchange at the time of the public offering. **Proceeds**—To selling stockholders. **Office**—630 Fifth Ave., New York City. **Underwriters**—Lee Higginson Corp. and H. Hentz & Co., both of New York City (managing).

Palm Developers Limited
Sept. 8, 1960, filed 100,000 shares of common stock (par 1 shilling). **Price** — $3 per share. **Business** — The company intends to deal in land in the Bahamas. **Proceeds**—To buy land, and for related corporate purposes. **Office**—6 Terrace, Centreville, Nassau, Bahamas. **Underwriter**—David Barnes & Co., Inc., New York City. **Offering**—Expected in November.

Pan Technics Inc.
Oct. 4, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—To purchase additional tooling and equipment, for research and development and for working capital. **Office** —470 1st St., Encinitas, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

Park Electrochemical Corp.
Sept. 22, 1960 filed 175,000 shares of 10 cent par class A stock. **Price**—$4 per share. **Business**—The firm designs and makes anodyzed aluminum specialty components for cars, planes, appliances, and other objects needing naming devices. **Proceeds**—For working capital, debt reduction, and research and development. **Office**—Flushing, L. I., N. Y. **Underwriters** — Stanley Heller & Co., and Michael G. Kletz & Co., Inc., both of New York City, with the latter handling the books. **Offering**—Expected in early November.

Pathe Equipment Co., Inc.
Oct. 17, 1960 filed 125,000 shares of class A stock (par 75 cents), of which 42,500 shares are to be offered for the account of the company and 72,500 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. The remaining 10,000 shares have been acquired by the underwriter and Hampstead Investing Corp., as a finder's fee. **Price**—$5 per share. **Business**—Developing and producing automatic multiple needle and specialized sewing equipment. **Proceeds**—For general corporate purposes. **Office** — 16 Leliart's Land, East Paterson, N. J. **Underwriters** — Amos Treat & Co., Inc. and William Stix Wasserman & Co., Inc., New York, N. Y. **Offering**—Expected in late November.

• Patrician Paper Co., Inc. (11/28-12/2)
Oct. 14, 1960 filed $750,000 of 7% unsecured subordinated notes due 1964 and 100,000 shares of common stock to be offered in units of $7.50 of notes and one share of common stock. **Price**—To be supplied by amendment. **Business**—The company manufactures facial and toilet tissues. **Proceeds**—For acquisition of property, to acquire machinery and equipment, and for repayment of certain loans. **Office** — 485 Lexington Ave., New York, N. Y. **Underwriter** — Hill, Darlington & Grimm, New York, N. Y.

★ Penobscot Chemical Fibre Co.
Oct. 24, 1960 filed $3,250,000 of convertible subordinated debentures, due 1980. **Price**—To be supplied by amendment. **Business**—Makes wood pulp, which it sells directly to the users, nearly all of whom are paper manufacturers. **Proceeds**—For construction, and for the reduction of indebtedness incurred for construction. **Office**—211 Congress St., Boston, Mass. **Underwriter**—Coffin & Burr, Inc., Boston, Mass. (managing). **Offering** — Expected in early December.

Philadelphia Aquarium, Inc.
Oct. 14, 1960 filed $1,700,000 of 6% debentures due 1975 and 170,000 shares of capital stock (par 50 cents) to be offered in units, each consisting of one $100 debenture and 10 shares of stock. **Price**—$150 per unit. **Business**—Operation of an aquarium in or about Philadelphia. **Proceeds**—To acquire ground and to construct an aquarium building or buildings. **Office**—2635 Fidelity-Philadelphia Trust Building, Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa. **Offering**—Expected in early December.

• Philippine Oil Development Co., Inc.
March 30 filed 103,452,615 shares of capital stock being offered for subscription by stockholders of record Aug. 25, at the rate of one new share for each 5½ shares held with rights to expire at 3:30 p.m. on Dec. 14. **Price**—U. S. price is 1.3 cents per share; Philippine price is 3 centavos per share. **Proceeds** — To be added to the company's working capital. **Office**—Soriano Bldg., Manila, Philippines. **Underwriter**—None. **Note**—The subscription offer has been extended.

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Photogrammetry, Inc.
Aug. 10, 1960 (letter of notification) 13,000 shares of common stock (par $1). **Price**—$3.50 per share. **Proceeds**—For retirement of a short term note and working capital. **Office** — 922 Burlington Ave., Silver Spring, Md. **Underwriter**—First Investment Planning Co., Washington, D. C.

Pik-Quik, Inc. (11/28-12/2)
July 27, 1960 filed 550,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The organization and operation of self-service markets in Florida under the names of "Pik-Quik" and "Tom Thum." There are now 31 such markets. **Proceeds**—Together with other funds, the proceeds will be used to purchase substantially all of the assets of Plymouth Rock Provision Co., Inc. **Office**—Baker Bldg., Minneapolis, Minn. **Underwriter**—A. C. Allyn & Co., Inc., New York City.

★ **Pioneer Electronics Corp.**
Oct. 26, 1960 filed 217,092 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each share held. **Price**—To be supplied by amendment. **Proceeds**—To retire current liabilities, for capital expenditures, and for working capital. **Office**—Los Angeles, Calif. **Underwriter**—None.

Plastics & Fibers, Inc.
June 14 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Whitehead Avenue, South River, N. J. **Underwriter**—Pearson, Murphy & Co., Inc., New York, N. Y. **Note**—The underwriter states that this offering will be delayed.

● **Polymer Corp. (11/15)**
Sept. 16, 1960 filed $2,750,000 of convertible subordinated sinking fund debentures, due 1975, and 20,000 shares of class A non-voting common stock. **Prices**—To be supplied by amendment. **Business** — The company makes nylon rod, plate, strip, and tubing, Teflon, and plastic powders for coating metals. **Proceeds**—From the common stock, to the present holder thereof; from the debentures, for general corporate purposes, including debt reduction and working capital. **Office** — Reading, Pa. **Underwriters**—White, Weld & Co., New York City, and A. G. Edwards & Sons, St. Louis, Mo. (managing).

Portland Reporter Publishing Co.
Sept. 12, 1960 filed 175,000 shares of common stock, of which 125,000 shares are to be publicly offered, 39,000 shares sold to employees, and 11,000 shares exchanged for property or services. **Price**—$10 per share. **Business**—The company intends to publish an afternoon newspaper in Portland, Oreg. **Proceeds**—For general corporate purposes. **Office**—1130 S. W. 3rd Ave., Portland, Oreg. **Underwriter**—None.

● **Preferred Risk Life Assurance Co. (10/31-11/4)**
Aug. 18, 1960 filed 300,000 shares of common stock. **Price**—$5 per share. **Proceeds** — For general corporate purposes. **Office** — 20 East Mountain St., Fayetteville, Ark. **Underwriter**—Preferred Investments, Inc., a subsidiary of the issuer.

Process Lithographers, Inc.
Sept. 28, 1960 filed 145,000 shares of common stock (par 10 cents), of which 125,000 shares are for public offering, and 20,000 shares are to be offered for the account of Solomon Roskin, President. **Price** — $5 per share. **Proceeds** — Toward the repayment of indebtedness, new equipment, and working capital. **Office**—200 Varick St., New York City. **Underwriter**—First Broad St. Corp., New York City (managing).

Public Service Co. of New Hampshire (11/17)
Oct. 7, 1960 filed $5,000,000 of first mortgage bonds, series L, due 1990. **Proceeds** — For repayment of loans, construction, and general corporate purposes. **Office**—1087 Elm Street, Manchester, N. H. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected Nov. 17 in room 170, Parker House, Tremont & School Sts., Boston, Mass., up to 11:00 a.m. EST. **Information Meeting** — Scheduled for Nov. 14 at 3:30 p.m. EST in room 118, Parker House, Boston, Mass.

Puritron Corp.
Aug. 3, 1960 filed 250,000 shares of common stock, of which 200,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of Joseph Stein, President, the present holder thereof. **Price**—To be supplied by amendment. **Business**—Makes and sells electronic air purifiers and range hoods. **Proceeds** — To retire indebtedness, with the balance for capital expenditures. **Office**—New Haven, Conn. **Underwriter** — Bache & Co., New York City (managing). **Offering**—Indefinite.

R. C. Can Co.
Aug. 25, 1960 filed 230,000 shares of common stock, of which 50,000 shares will be offered for the account of the issuing company and 180,000 shares, representing outstanding stock, will be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of fibre-bodied cans and containers of various sizes. **Proceeds**—For general corporate purposes. **Office**—9430 Page Blvd., St. Louis, Mo. **Underwriter** — Reinholdt & Gardner, St. Louis, Mo. (managing). **Offering**—Expected sometime in November.

R. E. D. M. Corp.
Sept. 27, 1960 filed 100,000 shares of common stock. **Price** $3.50 per share. **Proceeds**—For working capital ($217,250) and production machinery and equipment ($50,000). **Office**—Little Falls, N. J. **Underwriter**—Robert Edelstein & Co., Inc., New York City.

Radar Measurements Corp. (11/8)
Sept. 28, 1960 (letter of notification) 85,700 shares of common stock (par $1). **Price**—$3.50 per share. **Business**—Manufacturers of electronic equipment. **Proceeds**—For general corporate purposes. **Office** — 190 Duffy Ave., Hicksville, N. Y. **Underwriter**—Blaha & Co., Inc., 29-28 41st Avenue, Long Island City 1, N. Y.

Real Estate Mutual Fund
Oct. 14, 1960 filed 200,000 shares of beneficial interest. **Price**—$5 per share. **Business**—An open-end real estate investment trust specializing in investment real estate. **Office** — 606 Bank of America Bldg., San Diego, Calif. **Distributor**—Real Estate Mutual Distributors, Inc., San Diego, Calif.

● **Resisto Chemical, Inc. (11/28-12/2)**
Aug. 29, 1960 filed 200,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Business**—The firm makes and sells protective coatings for packaging and fabrics, and products used in insulation. **Proceeds**—For working capital ($235,358), with the balance for machinery, equipment, and general corporate purposes. **Office** — New Castle County Air Base, New Castle County, Del. **Underwriter**—Amos Treat & Co., Inc., New York City.

Riddle Airlines, Inc.
Aug. 19, 1960 filed $2,250,000 of 6% subordinated convertible debentures. **Price**—At 100% of principal amount. **Proceeds** — To be used as operating capital to fulfill M. A. T. S. contract, and to acquire aircraft. **Office**—International Airport, Miami, Fla. **Underwriter**—James H. Price & Co., Coral Gables, Fla., and New York City.

Riegel Paper Corp. (10/27)
Sept. 29, 1960 filed $10,000,000 of sinking fund debentures, due 1985. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans, to finance a new plant, and for general corporate purposes. **Office**—260 Madison Avenue, N. Y. C. **Underwriter**—Morgan Stanley & Co., New York City (managing).

● **Robosonics, Inc. (11/7-10)**
Sept. 14, 1960 filed 180,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Business**—The company makes and sells an automatic telephone answering device, and an automatic intelligence reproduction machine. **Proceeds**—For general corporate purposes. **Office**—22 W. 48th St., New York City. **Underwriter**—Mandell & Kahn, Inc., New York City.

● **Roller Derby TV, Inc.**
March 30 filed 277,000 shares of common stock, of which 117,000 shares are to be offered for public sale by the issuing company, and the remaining 145,000 shares will be sold for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes relating to the production and sales of motion picture films of the Roller Derby, and the balance for working capital. **Office**—4435 Woodley Ave., Encino, Calif. **Underwriter**—To be supplied by amendment. **Note** — This statement was withdrawn on Oct. 20.

Rotron Manufacturing Co., Inc. (11/7-11)
Sept. 21, 1960 filed 130,000 shares of common stock (par 5 cents), of which 65,000 shares are to be offered for the account of the issuing company and 65,000 shares representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—Makes air and gas moving devices for military and industrial use. **Proceeds**—For inventory, expansion, and debt reduction. **Office**—7-9 Hasbrouch Lane, Woodstock, N. Y. **Underwriter**—W. E. Hutton & Co., New York City (managing).

Sampson-Miller Associated Companies, Inc.
Sept. 28, 1960 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To retire indebtedness, develop acreage, and to finance the increased use of instalment sales contracts, with the balance to finance the purchase of additional property. **Office**—Pitcairn, Pa. **Underwriter** — Moore, Leonard & Lynch, Pittsburgh, Pa. (managing). **Offering**—Expected in mid-November.

Save-Co Veterans & Services & Department Stores, Inc.
Sept. 26, 1960 filed 163,636 shares of common stock, of which 127,273 shares are to be offered for the account of the issuing company and 36,363 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business** — The company operates a department store and gasoline service station the use of which is restricted primarily to veterans, military personnel, employees of non-profit organizations, and employees of firms doing government contract work. **Proceeds**—For general corporate purposes, including debt reduction and working capital. **Office**—3176 Frontier St., San Diego, Calif. **Underwriter** — Dempsey-Tegeler & Co., St. Louis, Mo. (managing). **Offering**—Expected in early November.

School Pictures, Inc.
Sept. 28, 1960 filed 100,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 1610 North Mill St., Jackson, Miss. **Underwriters**—Equitable Securities Corp. of New York City, and Kroeze, McLarty & Co., of Jackson, Miss.

● **Scott, Foresman & Co. (11/2-3)**
Sept. 21, 1960 filed 683,000 shares of outstanding common stock (no par). **Price**—To be supplied by amendment. **Business**—Publishing school textbooks. **Proceeds**—To selling stockholders. **Office** — 433 East Erie St., Chicago, Ill. **Underwriter** — Smith, Barney & Co. Inc., New York City (managing).

● **Seaboard & Western Airlines, Inc. (10/28)**
Sept. 28, 1960 filed 704,160 shares of common stock to be offered for subscription by holders of its common stock of record Oct. 28 on the basis of two new shares for each share held with rights to expire on Nov. 21. Also filed were $4,000,000 of 6% debentures, due July 1, 1970, with warrants for the purchase of 866,041 common shares. **Price**—To be supplied by amendment. **Proceeds**—Payments to creditors, purchase of new aircraft and engines, payment of notes, and the balance for working capital. **Office**—New York International Airport, Jamaica, L. I., N. Y. **Underwriter**—Carl M. Loeb, Rhoades & Co., New York City.

Security Annuity Life Insurance Co.
Sept. 8, 1960, filed 300,000 shares of common stock. **Price**—$7 per share. (The issuer's subsidiary, Annuity Life Insurance Co., which will register with the SEC as an open end diversified management investment company, was a partner in the registration.) **Business**—The sale of various forms of life insurance, annuities, and health and accident insurance. **Proceeds**—For general corporate purposes. **Office**—713 Marion E. Taylor Building, Louisville, Ky. **Underwriter**—None.

● **Self Service Drug Corp.**
Sept. 26, 1960 (letter of notification) $150,000 of 10-year 6% convertible debentures and 75,000 shares of common stock (no par) to be offered in units of $100 of debentures and 50 shares of common stock. **Price** — $200 per unit. **Proceeds** — To move and equip a new warehouse; pay off certain bank indebtedness and for new lines. **Office**—2826 Mt. Carmel Ave., N. Hills, Glenside, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa. **Offering**—Expected in late November.

Seven Mountain Corp.
Aug. 12, 1960 filed 3,500,000 shares of common stock. **Price**—$1 per share. **Business**—To construct an all-year resort area and a gondola-type aerial cableway, southeast of Provo, Utah, in the Wasatch Mountains. **Proceeds**—For the purchase of property, construction and equipment, retirement of notes, and the balance for working capital. **Office**—240 East Center St., Provo, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

Sexton (John) & Co. (11/14-18)
Sept. 26, 1960 filed 200,000 shares of common stock (no par), of which 33,000 shares are to be offered for the account of the issuing company and 167,000 shares, representing outstanding stock, are to be sold for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—Food distribution, chiefly to institutions. **Proceeds**—For general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—Hornblower & Weeks, New York City (managing).

Shatterproof Glass Corp.
Oct. 12, 1960 filed 100,000 shares of common stock (par $1), of which 50,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company makes and sells laminated safety plate and sheet glass, primarily to the automotive replacement market, and sells its products for use as original equipment to bus, truck, television, and farm and road equipment manufacturers. **Proceeds**—To repay current short-term bank loans incurred to supplement working capital. **Office** — 4815 Cabot St., Detroit, Mich. **Underwriters**—Dempsey-Tegeler & Co., St. Louis, Mo., and Straus, Blosser & McDowell, Chicago, Ill. (managing).

Simon Hardware Co. (10/31-11/4)
Sept. 9, 1960, filed $900,000 of sinking fund debentures, due Sept. 30, 1972, with warrants, and 70,000 shares of common stock, to be offered in units of a $1,000 debenture and warrants to purchase 100 common shares. **Price**—To be supplied by amendment. **Business**—The firm sells a diversified line of consumer goods through a store in Oakland, Calif., and proposes to open additional stores in Hayward and Walnut Creek. **Proceeds**—To reduce bank borrowings and for equipping the new stores. **Office**—800 Broadway, Oakland, Calif. **Underwriter**—J. S. Strauss & Co., San Francisco, Calif. (managing).

● **Simplex Wire & Cable Co. (11/14-18)**
Sept. 28, 1960 filed 118,000 shares of outstanding capital stock. **Price**—To be supplied by amendment. **Office**—Cambridge, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Solitron Devices, Inc.
Sept. 9, 1960 filed $400,000 of 6% subordinated convertible debentures, due 1967. **Price**—At par. **Business**—The company makes and sells solid state devices. **Proceeds**—For general corporate purposes. **Office**—67 South Lexington Ave., White Plains, N. Y. **Underwriter**—Casper Rogers & Co., New York City.

● **South Central Natural Gas Corp.**
Oct. 13, 1960 filed 250,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The company, which was organized in June 1960, is in the business of producing natural gas and oil. **Proceeds** — For working capital, with the balance for rental payments, loan repayments, drilling, and related expenditures. **Office**—1300 Oil & Gas Bldg., New Orleans, La. **Underwriter**—Willis E. Burnside & Co., Inc., New York City. **Offering**—Expected in late November.

Southwestern Capital Corp.
Sept. 30, 1960 filed 1,000,000 shares of common stock. **Price**—$3 per share. **Business**—A closed-end investment company. **Proceeds**—For investment purposes. **Office**—1326 Garnet Ave., San Diego, Calif. **Underwriter**—None.

Southwestern Oil Producers, Inc.
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West

Mockingbird Lane, Dallas. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

Speedry Chemical Products Inc. (12/1)
Sept. 28, 1960 filed $2,000,000 of convertible subordinated debentures, due Nov. 30, 1975, and 60,000 shares of class A common stock (50c par). **Prices**—To be supplied by amendment. **Business**—The company makes special purpose inks and devices used in their application. **Proceeds**—For expansion, acquisitions, and the retirement of bank loans. **Office** — 91-31 121st St., Richmond Hill, Queens, L. I., N. Y. **Underwriter** — S. D. Fuller & Co., New York City (managing).

Spier Electronics, Inc.
Aug. 24, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of electronic products. **Price** — $5 per share. **Proceeds** — For general corporate purposes. **Office**—1949-51 McDonald Ave., Brooklyn, N. Y. **Underwriter**—D'Amico & Co., Inc., 15 William St., New York, N. Y. **Offering**—Imminent.

● **Stancil-Hoffman Corp. (12/15)**
Sept. 30, 1960 filed 150,000 shares of capital stock. **Price**—$2 per share. **Business** — The research, development, manufacture, and sale of magnetic recording equipment. **Office** — 921 North Highland Ave., Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif.

● **Standard Instrument Corp. (11/10)**
Aug. 26, 1960 (letter of notification) 50,000 shares of common stock (par 20 cents). **Price**—To be supplied by amendment. **Business**—Manufacturers of electrical devices. **Proceeds**—For general corporate purposes. **Office**—657 Broadway, New York 21, N. Y. **Underwriter** — Havener Securities Corp., New York, N. Y.

Standard Pressed Steel Co. (11/14-18)
Sept. 27, 1960 filed 112,760 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Jenkintown, Pa. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Starfire Boat Corp.
Sept. 1, 1960 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4.25 per share. **Proceeds**—For working capital. **Office**—809 Kennedy Bldg., Tulsa, Okla. **Underwriters**—Batten & Co., Washington, D. C. and F. R. Burns & Co., Oklahoma City, Okla.

● **Stephan Co.**
Sept. 2, 1960 filed 150,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Business**—The manufacture and sale of men's hair lotions, shampoos, after shave preparations, and toilet waters. **Proceeds**—$250,000 for advertising and sales promotion, primarily for new products with the balance for general corporate purposes. **Office**—Professional Bldg., Ft. Lauderdale, Fla. **Underwriter**—D. Gleich & Co., New York City. **Offering**—Imminent.

● **Still-man Manufacturing Corp. (11/7-14)**
Aug. 22, 1960 filed 150,000 outstanding shares of class A stock (par 75 cents). **Price**—To be supplied by amendment. **Business** — The company makes heating elements for small appliances and components for major appliances, and related items. **Proceeds**—To selling stockholders. **Office**—429-33 East 164 St., New York City. **Underwriter**—Francis I. duPont & Co., New York City.

Stop & Shop, Inc. (11/15)
Sept. 23, 1960 filed 625,000 shares of outstanding $1 par common stock. **Price** — To be supplied by amendment. **Business** — The firm operates 118 self-service supermarkets in New England. **Proceeds**—To selling stockholders, the Rabb family. **Office**—393 D St., Boston, Mass. **Underwriters** — Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York City (managing).

Straus-Duparquet Inc.
Sept. 28, 1960 filed $1,000,000 of 7% convertible subordinated debentures, due 1975. **Price**—At par. **Office**—New York City. **Underwriter**—None; the offering will be made through officials and employees of the company.

Sulray, Inc. (11/14-18)
Sept. 20, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of specialized drugs. **Proceeds**—For general corporate purposes. **Office**—273 Columbus Ave., Tuckahoe, N. Y. **Underwriters**—J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc., New York, N. Y.

● **Summers Gyroscope Co. (10/31-11/4)**
Aug. 29, 1960 filed 6,403,215 shares of common stock, of which 5,702,878 shares are to be offered by Atlas Corp. to the holders of its outstanding common on the basis of one Summers share for each two Atlas shares held, and 700,337 shares to be offered by Mertronics Corp. to its stockholders on a share-for-share basis. **Price**—75 cents per share. **Purpose**—The purpose of the offering is to effect a divestiture by Atlas and Mertronics of their 71.1% interest in Summers in order to dispose of matters pending before the CAB. **Office**—2500 Broadway Ave., Santa Monica, Calif. **Underwriter**—None.

★ **Swingline, Inc.**
Oct. 25, 1960 filed 250,000 shares of class A stock (par $1), of which 50,000 shares will be offered for the account of the issuing company and 200,000 shares, representing outstanding stock, to be offered for the account of the company president and his wife, the selling stockholders. **Price**—To be supplied by amendment. **Business**—The company makes and sells stapling machines and various other office supplies, and has a stock interest in Wilson Jones Co., of Massachusetts, which makes and sells record-keeping and other commercial stationery supplies. **Proceeds**—For new plant and general corporate purposes of a subsidiary, Ace Fastener Corp., of Illinois. **Office**—32-00 Skillman Avenue, Long Island City, L. I., N. Y. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Tech Laboratories, Inc.
Sept. 28, 1960 (letter of notification) 84,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of precision instruments. **Proceeds**—For general corporate purposes. **Office**—Bergen & E. Edsall Blvds., Palisades Park, N. J. **Underwriters**—Carroll Co., and Dewey, Johnson & Co., New York, N. Y.

Tech-Ohm Electronics, Inc.
June 29, 1960, (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—36-11 33rd Street, Long Island City, N. Y. **Underwriter** — Edward Lewis Co., Inc., New York, N. Y. **Note**—This issue was refiled on Sept. 6.

● **Techni Electronics, Inc. (10/31)**
Aug. 10, 1960 (letter of notification) 112,500 shares of common stock (par 10c). **Price**—$2 per share. **Business**—The firm makes health and massage equipment, electric housewares, and medical electronic equipment. **Proceeds**—For expansion, working capital, and research and development expenditures. **Office**—71 Crawford St., Newark, N. J. **Underwriter** — United Planning Corp., 1180 Raymond Blvd., Newark, N. J.

Telecolor
July 25, 1960 (letter of notification) 150,000 shares of common capital stock (par 25 cents) of which 100,000 shares are to be offered by officers. **Price**—$2 per share. **Proceeds**—To lease equipment and for working capital. **Office** — 7922 Melrose Ave., Hollywood, Calif. **Underwriter**—Raymond Moore & Co.. Los Angeles, Calif.

★ **Tele-Graphic Electronics Corp.**
Oct. 18, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Business**—Manufacturers of electronic and electro-mechanical products. **Proceeds**—For general corporate purposes. **Office**—514 Hempstead Avenue, W. Hempstead, N. Y. **Underwriter**—None.

Telephone & Electronics Corp. (11/7-10)
Aug. 18, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Business**—Electronic communications equipment and automatic, loud-speaking telephone. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities Co., New York, N. Y.

● **Tele-Tronics Co. (11/14-18)**
Aug. 10, 1960 (letter of notification) 100,000 shares of common stock (par 40 cents). **Price**—$3 per share. **Proceeds**—For plant expansion, additional machinery, acquisition of new facilities and working capital. **Office**—180 S. Main St., Ambler, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

Telex, Inc. (11/10-25)
Sept. 27, 1960 filed 196,000 shares of common stock, of which 125,000 shares are to be offered to holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the retirement of $1,100,000 in outstanding notes. **Office**—Minneapolis, Minn. **Underwriter** — Lee Higginson Corp., New York City (managing).

Tenax, Inc. (10/31-11/4)
Aug. 16, 1960, filed $1,500,000 of 10-year 6% convertible subordinated debentures, due 1970. **Price** — 100% of principal amount. **Business**—The sale, stocking and financing of freezers. **Proceeds**—Repayment of short-term indebtedness and working capital. **Office**—575 Lexington Avenue, New York City. **Underwriter** — Myron A. Lomasney & Co., New York City.

Terry Shops, Inc.
Sept. 29, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Operators of a chain of retail stores for wearing apparel for women, misses and children. **Proceeds**—For general corporate purposes. **Office**—560 Belmont Ave., Newark, N. J. **Underwriter** — Whitmore, Bruce & Co., New York, N. Y.

Texas Butadiene & Chemical Corp. (11/14-18)
Oct. 6, 1960 filed 635,800 shares of common stock, of which 296,000 will be offered publicly, 125,467 shares will be offered for the account of selling stockholders, and the balance will be issued in exchange for the issuer's outstanding preferred stock. **Price**—To be supplied by amendment. **Proceeds**—For working capital and general corporate purposes. **Office**—529 Fifth Avenue, New York City. **Underwriters**—Blyth & Co., Inc. and Lehman Brothers.

Texas Research & Electronic Corp.
Oct. 3, 1960 filed 600,000 shares of common stock. **Price**—$1.15 per share. **Business**—Engaged in various phases of electronics. **Proceeds**—For acquisition of small businesses. **Office**—Meadows Bldg., Dallas, Tex. **Underwriter**—Naftalin & Co., Inc., Minneapolis, Minn.

★ **Theatre Development Corp.**
Oct. 14, 1960 (letter of notification) 8,202½ shares of class A common stock and 3,500 shares of preferred stock. **Price**—At par ($10 per share). **Proceeds**—For bonds and deposits which are returnable, operating capital, and an emergency fund. **Office**—1073 Ponce de Leon Avenue, Santurce, Puerto Rico. **Underwriter**—None.

Therm-Air Mfg. Co., Inc.
Sept. 13, 1960 filed 125,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company makes and sells temperature and humidity control equipment for military and commercial use. **Proceeds**—To pay loans, for research and development, and for working capital. **Office**—1000 North Division St., Peekskill, N. Y. **Underwriter**—G. Everett Parks & Co., Inc., New York City. **Offering**—Expected in late November.

Tip Top Products Co.
Oct. 4, 1960 filed 60,000 shares of class A common stock. **Price**—To be supplied by amendment. **Address**—Omaha, Neb. **Underwriters**—J. Cliff Rahel & Co., Omaha, Neb. and First Trust Co. of Lincoln, Lincoln, Neb.

● **Transitron Electronics Corp. (10/31-11/4)**
Sept. 9, 1960, filed 1,250,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — 168 Albion St., Wakefield, Mass. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

● **Trout Mining Co.**
Aug. 22, 1960 filed 296,579 shares of $1 par common stock (with warrants), being offered to holders of the outstanding common of record Oct. 27 on the basis of four new shares for each five shares held with rights to expire on Nov. 14. **Price**—$1 per share. **Business**—The company is engaged in the mining of silver, lead, zinc, and manganese dioxide. **Proceeds**—For working capital, to repay a bank loan, and for exploration and development of ore bodies. **Office**—233 Broadway, New York City. **Underwriter**—None.

● **Ultra-Sonic Precision Co. Inc.**
Sept. 27, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Manufacturers of precision carbon jigs for transistors and transistor components. **Proceeds** — For general corporate purposes. **Office**—236 Fourth Ave., Mt. Vernon, N. Y. **Underwriter** — Merritt, Vickers, Inc., New York, N. Y. **Offering**—Imminent.

United Bowling Centers, Inc. (11/15)
Sept. 28, 1960 filed 200,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For construction, equipment and acquisition of bowling centers. **Office** — 1055 W. Genesee St., Syracuse, N. Y. **Underwriters**—Emanuel, Deetjen & Co., and Hill, Darlington & Co., both of New York City (managing).

United ElectroDynamics, Inc.
Aug. 22, 1960 filed 169,500 shares of common stock, of which 156,000 shares are to be offered for the account of the issuing company and 13,500 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The company is engaged primarily in the development and manufacture of electronic measurement instruments, and in nuclear detection work relating to the earth sciences. **Proceeds** — To liquidate $800,000 of bank indebtedness, with the balance for general funds. **Office**—200 Allendale Road, Pasadena, Calif. **Underwriter** — William R. Staats & Co., Los Angeles, Calif. (managing).

United Gas Corp. (10/31)
Sept. 28, 1960 filed $30,000,000 of sinking fund debentures, due 1980, and $30,000,000 of first mortgage bonds. **Office**—1525 Fairfield Avenue, Shreveport, La. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Harriman Ripley & Co., and Goldman, Sachs & Co. (jointly); White, Weld & Co. and Equitable Securities Corp. (jointly). **Bids**—Expected Oct. 31 in room 2033, 2 Rector St., New York City, up to 11:30 a.m. **Information Meeting**—Scheduled for Oct. 26 at 10:30 a.m., 2 Rector Street, New York City, Room 240.

● **United Industries Co., Inc.**
Sept. 27, 1960 filed $500,000 of 6% convertible serial subordinated debentures. **Price**—At par. **Business**—The issuer's major activity is the warehousing of grain under contract to the U. S. Commodity Credit Corp. **Proceeds**—For expansion, working capital, and loans to subsidiaries. **Office**—1235 Shadowdale, Houston, Texas. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

★ **United International Fund Ltd.**
Oct. 20, 1960 filed 1,000,000 shares of common stock (par one Bermuda pound). **Price**—$12.50 per share. **Business**—This is a new open-end mutual fund. **Proceeds**—For investment. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriters**—Kidder, Peabody & Co., Bache & Co., and Francis I. du Pont & Co., all of New York City (managing). **Offering**—Expected in late November.

United Pacific Aluminum Corp.
Aug. 24, 1960 filed $7,750,000 of convertible subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, the proceeds will be used to pay for the erection of a primary aluminum reduction facility. **Office** — Los Angeles, Calif. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill. (managing).

Urban Development Corp.
Aug. 30, 1960 filed 300,000 shares of common stock (no par). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including debt reduction. **Office**—Memphis, Tenn. **Underwriter** — Union Securities Investment Co., Memphis, Tenn.

Vacudyne Associates, Inc. (11/14-18)
Sept. 30, 1960 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Business**—Distributors of radio and TV receiving tubes and owner of Transletesonic Inc. which manufactures electronic tubes. **Proceeds**—For general corporate purposes. **Office**—397 Seventh Ave., Brooklyn, N. Y. **Underwriters**—Kenneth Kass; H. S. Simmons & Co., Inc. and B. N. Rubin & Co., Inc., New York, N. Y.

Valdale Co., Inc.
July 27, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To pay accounts payable, reduce a bank loan,

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advertising and for working capital. **Office**—Red Lion, Pa. **Underwriters**—B. N. Rubin & Co. and H. S. Simmons & Co. both of New York City.

Vector Industries, Inc.
Aug. 29, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To pay in full the remainder of such subscription to capital stock of International Data Systems, Inc. and to retire outstanding notes. **Office**—2321 Forest Lane, Garland, Tex. **Underwriter**—Hauser, Murdoch, Rippey & Co., Dallas, Tex. **Offering**—Postponed.

Vibration Mountings & Controls, Inc.
Sept. 29, 1960 filed 150,000 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Proceeds**—For research and development; expansion; purchase of inventory; working capital and general corporate purposes. **Office**—98-25 50th Ave., Corona, L. I., N. Y. **Underwriter**—Michael G. Kletz & Co., Inc., New York, N. Y. **Offering**—Expected in late November.

Victor Paint Co.
Oct. 18, 1960 filed 130,000 shares of common stock of which 95,000 shares are to be offered for the account of the issuing company and 35,000 shares, representing outstanding stock, for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the opening of additional stores in the metropolitan Detroit area **Office** — Detroit, Mich. **Underwriter** — Charles Plohn & Co., New York City (managing).

● **Waterman Products Co., Inc.**
Oct. 4, 1960 (letter of notification) a maximum of $100,000 of common stock (par $1). **Price**—At-the-market. **Proceeds**—To go to a selling stockholder. **Office**—Emerald & Hagert Streets, Philadelphia, Pa. **Underwriter** — Stroud & Co., Inc., Philadelphia, Pa. **Note**—This statement was withdrawn on Oct. 20.

Weatherford, R. V., Co. (11/1)
Sept. 26, 1960 filed 180,000 shares of capital stock (no par), of which 90,000 shares are to be offered for the account of the issuing company and 90,000 shares, representing outstanding stock, are to be offered for the account of R. V. Weatherford, President. **Price**—To be supplied by amendment. **Business** — Distributes electronic parts and equipment, primarily in the 11 western states. **Proceeds** — For debt reduction, inventory, and accounts receivable. **Office**—6921 San Fernando Road, Glendale, Calif. **Underwriter**—Blyth & Co., Inc., New York City (managing).

● **Webb (Del E.) Corp.**
Sept. 21, 1960 filed $8,000,000 of convertible subordinated debentures, due October 1975, 640,000 shares of common stock, and warrants for the purchase of 320,000 shares of such stock. These securities will be offered in units, each unit to consist of $50 principal amount of debentures, four common shares, and warrants for the purchase of two common shares. **Price**—To be supplied by amendment. **Business** — Real estate, construction, property and community development, and manufacturing. **Proceeds**—For property improvements. **Office**—302 South 23rd Ave., Phoenix, Ariz. **Underwriter**—Lehman Brothers, New York City (managing). **Offering**—Expected in late November.

Western Factors, Inc.
June 29, 1960, filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

Western Transistor Corp.
Sept. 27, 1960 (letter of notification) 100,000 shares of common stock (par 75 cents). **Price**—$3 per share. **Proceeds**—To retire a bank loan, research and development, additional machinery and equipment and for working capital. **Office**—13021 S. Budlong Ave., Gardena, Calif. **Underwriter**—Francis J. Mitchell, Newport Beach, Calif.

Westminster Fund, Inc.
Oct. 14, 1960 filed 4,000,000 shares of capital stock. **Business**—This is a new mutual fund, and its intention is to offer holders of at least $25,000 worth of acceptable securities the opportunity of exchanging each $12.50 worth of such securities for one share in the Fund, which will receive a maximum commission of 4%. **Office**—Westminster at Parker, Elizabeth, N. J. **Investment Advisor**—Investors Management Co. **Dealer - Manager**—Kidder, Peabody & Co., New York City. **Offering**—Expected in early December.

● **White Avionics Corp. (10/31-11/4)**
Sept. 6, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—Manufacturers of missiles and aircraft instrumentation. **Proceeds**—For general corporate purposes. **Office**—Terminal Dr., Plainview, L. I., N. Y. **Underwriter**—Planned Investing Corp., New York, N. Y. and Fidelity Investors Service, East Meadow, L. I. **Note** — This is a refiling of an issue originally filed last June 6 and subsequently withdrawn.

Willer Color Television System, Inc. (11/7-10)
Jan. 29 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City.

● **Williamsburg Greetings Corp.**
Aug. 26, 1960 filed 180,000 shares of common stock (par 25 cents). **Price** — $6 per share. **Business**—The company and its subsidiaries are engaged chiefly in the design, production, and sale of greeting cards. **Proceeds**—About $400,000 will be applied to the reduction of factoring advances, with the balance to be added to working capital. **Office**—3280 Broadway, New York City. **Underwriters** — Standard Securities Corp., New York City, and Bruno-Lenchner, Inc., Pittsburgh, Pa., and Amos Treat & Co., Inc., New York City. **Offering**—Expected sometime in November.

Wisconsin Electric Power Co. (11/16)
Sept. 23, 1960 filed $30,000,000 of first mortgage bonds, series due 1990. **Proceeds**—For debt reduction and capital expenditures. **Office**—Milwaukee, Wis. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., and Equitable Securities Corp. (jointly); Glore, Forgan & Co., Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co., Inc. (jointly); The First Boston Corp., Lehman Brothers and Salomon Brothers & Hutzler (jointly); Blyth & Co. **Bids**—Expected to be received on Nov. 16 at 11:00 a.m.

★ **Wisconsin Southern Gas Co., Inc.**
Oct. 26, 1960 filed 27,996 shares of common stock, to be offered to the holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds** — To reduce bank indebtedness. **Office**—Lake Geneva, Wis. **Underwriters**—The Milwaukee Co., Milwaukee, Wis., and Harley Hayden & Co., Inc., and Bell & Farrell, Inc., both of Madison, Wis.

WonderBowl, Inc.
April 14 filed 3,401,351 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For purchase of certain property, for constructing a motel on said property and various leasehold improvements on the property. **Office**—7805 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Standard Securities Corp., same address.

Wood-Mosaic Corp. (11/7-11)
Sept. 27, 1960 filed 80,000 shares of class A common stock. **Price**—To be supplied by amendment. **Proceeds**—For working capital of the issuer and its subsidiary, Wood-Mosaic Industries, with the balance for debt reduction. **Office**—Louisville, Ky. **Underwriters**—Cruttenden, Podesta & Co., Chicago, Ill., and Berwyn T. Moore & Co., Inc., Louisville, Ky.

Yuscaran Mining Co.
May 6 filed 1,000,000 shares of common stock. **Price**— $1 per share. **Proceeds**—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None. **Note**—The SEC has challenged the accuracy and adequacy of this statement. A hearing was scheduled for Aug. 29 at the request of the company counsel and the results have not as yet been announced.

Zurn Industries, Inc. (11/14-18)
Sept. 26, 1960 filed 200,000 shares of common stock ($1 par), of which 100,000 shares are to be offered for the account of the issuing company and 100,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture of mechanical power transmission equipment, fluid control devices, building plumbing drainage products and research and development of a synchro-gear assembly for atomic submarines. **Proceeds**—For new equipment, the repayment of loans, and working capital. **Office**—Erie, Pa. **Underwriter**—Lee Higginson Corp., New York City (managing).

Prospective Offerings

Acme Steel Co.
Oct. 3, 1960 it was reported that the sale of $10,000,000 of preferred stock is planned by the company for sometime later in the year. **Proceeds**—For expansion and modernization. **Office**—135th St. & Perry Ave., Chicago, Ill.

● **Alberta Gas Trunk Line Co., Ltd.**
Sept. 1, 1960 A. G. Bailey, President, announced that new financing of approximately $65,000,000 mostly in the form of first mortgage bonds, is expected early in 1961. **Office**—502-2nd St., S. W., Calgary, Alberta, Canada.

Alexander's Department Stores, Inc.
July 6 it was reported that this Bronx (N. Y.)-based retail chain is contemplating an issue of common stock. No confirmation was available.

★ **Aluminum Insulating Co., Inc.**
Oct. 26 it was reported that registration is imminent of 185,000 shares of 10c par common stock. **Price**—$1 per share. **Proceeds**—To retire a bank loan, for advertising and promotion, and for working capital. **Office**—558 W. 18th Street, Hialeah, Fla. **Underwriter**—Lewis Wolf Associates, 55 W. 42nd Street, New York City.

● **Americana Properties, Inc.**
Sept. 12, 1960 it was reported that registration of $600,000 of common stock is imminent. The company is in the real estate and bowling center business, and owns three bowling centers. **Proceeds**—For general corporate purposes. **Office**—Oakdale, L. I., N. Y. **Underwriter**—Plymouth Securities Corp., 92 Liberty St., New York 6, N. Y.

Arkansas Power & Light Co.
Sept. 20, 1960 it was announced that this subsidiary of Middle South Utilities, Inc. might issue $15,000,000 of first mortgage bonds sometime in the first quarter of 1961. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

Atlantic Transistor Corp.
Sept. 12, 1960 the company reported that it is contemplating filing its first public offering, consisting of a letter of notification covering an undetermined number of shares of its $1 par common stock. **Business** — The company makes and sells a "water - tight, unbreakable" marine radio known as the "Marlin 200." **Proceeds**—For the development of the "Marlin 300," which is to be a similarly constructed radio with a ship-to-shore band. **Office**—63-65 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Mr. Roth, Comptroller, states that he is actively seeking an underwriter to handle the offering. **Note**—The issuing company is a wholly-owned subsidiary of Auto-Temp Inc.

Automation Development, Inc.
Sept. 20, 1960 it was reported that a "Reg. A" filing, comprising this firm's first public offering is expected. **Note** — This firm was formerly carried in this column under the heading "Automation for Industry, Inc." **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City. **Underwriter**—Ross, Riemer, Collins & Co., Inc., 44 Beaver St., New York City.

Automation Labs Inc.
Sept. 14, 1960 it was reported that a "Reg A" filing is expected. **Business** — Electronics. **Office** — Westbury, L. I., N. Y. **Underwriters** — Sandkuhl and Company, Newark, N. J., and New York City, and J. I. Magaril & Co., New York City.

Baltimore Gas & Electric Co.
Oct. 3, 1960 it was reported that the utility expects to sell additional securities sometime during the first half of 1961, but no decision has been made as to type. **Office**—Lexington Building, Baltimore, Md.

Brooklyn Eagle Inc.
Oct. 5, 1960 it was reported that 70,000 shares of common stock will be filed. **Underwriter**—R. F. Dowd & Co., Inc., New York, N. Y.

Brooklyn Union Gas Co.
Sept. 21, 1960 G. C. Griswold, Vice-President and Treasurer, announced that there will be no further financing in 1960 but that $25,000,000 to $30,000,000 of mortgage bonds or preferred stock are expected in late 1961 or early 1962. **Office**—176 Remsen St., Brooklyn 1, N. Y.

California Asbestos Corp.
Sept. 28, 1960 it was reported that discussion is under way concerning an offering of about $300,000 of common stock. It has not yet been determined whether this will be a full filing or a "Reg. A." **Business**—The company, which is not as yet in operation but which has pilot plants, will mine and mill asbestos. **Proceeds**—To set up actual operations. **Address**—The company is near Fresno, Calif. **Underwriter**—R. E. Bernhard & Co., Beverly Hills, Calif.

California Oregon Power Co.
Oct. 18, 1960 it was reported that the company expects to come to market in late 1961 to raise about $12,000,000 in the form of bonds and common stock. **Proceeds**—For the repayment of bank loans. **Office**—216 W. Main St., Medford, Oregon.

Carbonic Equipment Corp.
Oct. 5, 1960 it was reported that a full filing of about $300,000 of units, consisting of common stock, bonds and warrants will be made sometime in November. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter**—R. F. Dowd & Co. Inc.

Casavan Industries
Sept. 21, 1960 it was reported by Mr. Casavena, President, that registration is expected of approximately $20,000,000 of common stock. **Business** — The company makes polystyrene and polyurethane for insulation and processes marble for construction. **Proceeds**—For expansion to meet $10,000,000 backlog. **Office**—250 Vreeland Ave., Paterson, N. J. **Underwriter**—To be named.

Chesapeake & Ohio Ry. (10/27)
Oct. 11, 1960 it was reported that $3,750,000 of equipment trust certificates will be sold. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. and Salomon Bros. & Hutzler. **Bids**—Expected on Oct. 27 at noon in Cleveland, Ohio.

Circle Controls Corp.
Aug. 20, 1960 it was reported that a letter of notification is expected covering 75,000 shares of common stock. **Proceeds** — For general corporate purposes, including expansion and the establishment of sales organizations. **Office**—Vineland, N. J. **Underwriter**—L. C. Wegard & Co., Levittown, N. J.

● **Citizens & Southern Small Business Investment Co.**
Oct. 24, 1960 it was reported that the company expects to file $3,000,000 of its common stock. **Office**—c/o Citizens & Southern National Bank, Marietta at Broad, Atlanta, Ga. **Registration**—Expected in November.

Coca-Cola Co.
Sept. 22, 1960 it was announced that under the terms of the proposed acquisition of Minute Maid Corp. this company would issue about 906,400 shares of its common stock, each share of which will be exchanged for 2.2 Minute Maid shares. **Office**—Atlanta, Ga.

Colorado Interstate Gas Co.
Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about $70,000,000 of debt financing. Such approval is expected in December of this year, and the public financing is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

Columbus & Southern Ohio Electric Co.
Sept. 22, 1960 it was reported the company will sell about $10,000,000 additional common stock sometime in 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co.

Dallas Power & Light Co.
Sept. 14, 1960 it was stated by the company's president that there may possibly be some new financing during 1961, with no indication as to type and amount. **Office**—1506 Commerce Street, Dallas, Texas. **Underwriter**—To be determined by competitive bidding. Probable bidders: To be named.

Dodge Wire Manufacturing Corp.
Sept. 12, 1960 it was reported that registration is expected of $600,000 of common stock. **Proceeds** — For general corporate purposes. **Office** — Covington, Ga. **Underwriter**—Plymouth Securities Corp., 92 Liberty St., New York 6, N. Y.

Dynacolor Corp.
Aug. 22, 1960 it was reported that new financing will take place in November or December. **Office**—1999 Mt. Read Blvd., Rochester, N. Y. **Underwriter**—The company's initial financing was handled by Lee Higginson Corp., New York City.

Dynamic Center Engineering Co., Inc.
Oct. 3, 1960 it was reported that the company plans a full filing of its $1 par common stock for sometime in November. **Proceeds**—To promote the sale of new products, purchase new equipment, and for working capital. **Office**—Norcross, Ga. **Underwriter**—To be named.

Dynamic Instrument Corp.
Oct. 5, 1960 it was reported that a full filing of approximately $300,000 of bonds, common stock and warrants is expected. **Proceeds**—For expansion and the manufacture of a new product. **Office**—Westbury, L. I. **Underwriter**—R. F. Dowd & Co. Inc.

★ Florida Power & Light Co.
Oct. 24, 1960 it was reported that an undetermined amount of bonds may be offered in the Spring of 1961. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Ford Motor Credit Co.
Oct. 17, 1960 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur in the first quarter of 1961. **Office**—Detroit, Mich.

General Resistance, Inc.
Sept. 19, 1960 it was reported that the company will file a letter of notification, comprising its first public offering, in late December or early January. **Office** — 430 Southern Blvd., Bronx, N. Y.

• Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that November registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena, Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and N. Y. City.

★ Geotechnics & Resources, Inc.
Oct. 25, 1960 it was reported that registration is expected early in November of 150,000 shares of common stock. This will be a "Reg A" filing. **Business**—The interpretation of photo-aerial maps. **Office**—White Plains, N. Y. **Underwriter**—S. D. Fuller & Co., New York City.

Goshen Farms Inc.
Oct. 5, 1960 it was reported that 100,000 shares of the company's common stock will be filed. **Proceeds**—For breeding trotting horses. **Office**—Goshen, N. Y. **Underwriter**—R. F. Dowd & Co. Inc.

Hemingway Brothers Interstate Trucking Co.
Sept. 16, 1960 the ICC granted the firm permission to issue $1,000,000 of 10-year registered 6% subordinated debentures. **Business**—The firm is a common carrier by motor vehicle operating in nine Eastern states. **Proceeds**—For debt reduction and additional equipment. **Office**—New Bedford, Mass. **Underwriter**—None.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

Indianapolis Power & Light Co.
According to a prospectus filed with the SEC on Aug. 25, the company plans the sale of about $14,000,000 of additional securities in 1963. **Office** — 25 Monument Circle, Indianapolis, Ind.

Industrial Gauge & Instrument Co.
Oct. 5, 1960 it was reported that 100,000 shares of common stock will be filed. **Proceeds** — Expansion of the business, and for the manufacture of a new product by a subsidiary. **Office**—1947 Broadway, Bronx, N. Y. **Underwriter**—R. F. Dowd & Co. Inc.

• Iowa-Illinois Gas & Electric Co.
Oct. 24, 1960 it was reported by the company treasurer, Mr. Donald Shaw that the utility expects to come to market, perhaps in mid-1961, to sell permanent securities in the form of bonds and possibly preferred stock, with the amount and timing to depend on market conditions. The 1961 construction program is estimated at $17 million of which $10-$11 million will have to be raised externally. **Office**—206 E. 2nd St., Davenport, Iowa.

Iowa Power & Light Co.
Oct. 5, 1960 it was reported that the board of directors had approved a $15,000,000 financing plan, to consist of $10,000,000 of first mortgage bonds and additional common stock. **Proceeds** — For the acquisition of property and the retirement of short-term loans. **Office** — Des Moines, Iowa.

Japanese Telephone & Telegraph Co.
Oct. 17, 1960 it was reported that a $20,000,000 offering is expected to be made in the U. S. early in 1961. **Underwriters** — Dillon, Read & Co., First Boston Corp. and Smith, Barney & Co. (managing).

Kawasaki Steel Co., Ltd.
Oct. 17, 1960 it was reported that the Japanese company is considering a $4,000,000 bond issue for U. S. offering. **Underwriter**—First Boston Corp., New York City.

Laclede Gas Co.
May 10 it was announced that in addition to the $15,000,000 of new capital provided by the July bond-equity financing, $33,000,000 will come from later sale of securities other than common stock and from retained earnings.

Lone Star Gas Co.
Aug. 3, 1960, it was reported that about $37,000,000 will be raised to cover capital requirements over the next year. **Office**—301 So. Harwood Street, Dallas 1, Texas.

Loral Electronics Corp.
Sept. 1, 1960 it was reported that November registration is expected of up to $5,000,000 of convertible debentures. **Office**—New York 72, N. Y. **Underwriters**—Kidder, Peabody & Co. and Model, Roland & Stone, both of New York City. **Offering**—Expected in December.

Martin Paints & Wallpapers
Aug. 29, 1960 it was announced that registration is expected of the company's first public offering, which is expected to consist of about $650,000 of convertible debentures and about $100,000 of common stock. **Proceeds**—For expansion, including a new warehouse and additional stores. **Office**—153-22 Jamaica Ave., Jamaica, L. I., N. Y. **Underwriter** — Hill, Thompson & Co., Inc., New York City N. Y.

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. **Proceeds** — To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio.

Mountain States Telephone & Telegraph Co.
Oct. 18, 1960 the Board of Directors authorized a rights offering of 6,729,142 shares of capital stock to stockholders of record Nov. 28 on the basis of one new share for each five shares then held. Rights expire Dec. 20. **Price**—$12.50 per share. **Proceeds**—To repay short-term loans made to finance construction. **Office**—Denver, Colo.

• National Aeronautical Corp.
Oct. 11, 1960 it was reported that a full filing of 70,000 shares of common stock is in preparation, part of which will be for the account of the issuer and part for selling stockholders. **Office**—Ft. Washington, Pa. **Underwriters**—White, Weld & Co., of New York City; Yarnall, Biddle & Co. and Stroud & Co., Inc., both of Philadelphia, Pa. (all jointly).

Nedick's Stores, Inc.
Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder. **Underwriter**—Van Alstyne, Noel & Co., New York.

Northern Fibre Glass Co.
Sept. 28, 1960 it was reported that this company is planning to issue 100,000 shares of $1 par common stock under a letter of notification. **Office**—St. Paul, Minn. **Underwriter**—Irving J. Rice & Co., St. Paul, Minn.

Northern States Power Co. (Minn.) (12/6)
May 11 it was reported that the company plans the issuance and sale of $35,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co. and White, Weld & Co. (jointly); The First Boston Corp. and Blyth & Co., Inc. (jointly); Lehman Brothers and Riter & Co. (jointly); Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received by Dec. 6.

• One Maiden Lane Fund, Inc.
Aug. 29, 1960 it was reported that registration is expected sometime in November of 300,000 shares of com. stock. **Business**—This is a new mutual fund. **Proceeds**—For investment, mainly in listed convertible debentures and U. S. Treasury Bonds. **Office**—1 Maiden Lane, New York 38, N. Y. **Underwriter**—G. F. Nicholls Inc., 1 Maiden Lane, New York 38, N. Y.

• Orange & Rockland Utilities, Inc.
April 18 it was stated that the company presently expects that such part of its construction program through 1962 and the refunding of $6,442,000 series B bonds maturing in 1961 as is not financed by the sale of the company's 39,165 shares of its convertible cumulative preferred stock, series E, 5% (par $100) will be financed from the proceeds of sale in 1961, subject to market conditions, of $10,000,000 of its first mortgage bonds, from depreciation and retained earnings and, to the extent of any remaining balance, from the proceeds of additional short-term borrowings. Oct. 18, 1960 it was reported that the sale of the $10 million bonds is tentatively expected in April, 1961. **Office**—10 North Broadway, Nyack, N. Y.

• Otter Tail Power Co.
Oct. 21, 1960, Albert V. Hartl, executive Vice-President of this utility told this newspaper that an issue of between $6,000,000 to $8,000,000 of 30-year first mortgage bonds is expected in late January of 1961. **Office**—Fergus Falls, Minn.

Pacific Gas Transmission Co.
Sept. 23, 1960 it was reported that in addition to the common stock offered on Oct. 18, this subsidiary of Pacific Gas & Electric Co. plans to sell $99,000,000 of first mortgage bonds and $13,300,000 of convertible debentures. **Office**—San Francisco, Calif. **Underwriter**—Blyth & Co., Inc., New York City (managing).

Panhandle Eastern Pipe Line Co.
Sept. 28, 1960 it was reported that $65,000,000 of debentures are expected to be offered in the second quarter of 1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing.)

Peerless Mortgage Co.
Sept. 21, 1960 it was reported that this company is preparing a "Reg. A" filing. **Proceeds**—To increase buying power for purchase of first and second mortgages. **Office**—Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

• Pocket Books, Inc.
Oct. 24, 1960 it was reported that the company expects to file outstanding common stock in the amount of approximately $15,000,000. **Proceeds**—To selling stockholders. **Office**—630 5th Ave., New York City. **Underwriters**—White, Weld & Co. and Goldman, Sachs & Co. (jointly). **Registration**—Expected in early January.

• Potomac Electric Power Co.
Oct. 25, 1960 it was reported that the company is currently formulating its 1960-61 financing program, the details of which are expected to be made available in the near future. **Office**—929 "E" St., N. W., Washington, D. C.

Power Chem Industries
Oct. 18, 1960 it was reported that the company plans a "Reg. A" filing of 75,000 shares of common stock, constituting its first public offering. **Business**—The manufacture of additives for fuel oils. **Proceeds**—For expansion and general corporate purposes. **Office**—645 Forrest Ave., Staten Island, N. Y. **Underwriter**—Ronwin Securities Inc., 645 Forrest Ave., Staten Island, N. Y.

★ Prospectors Airways Co., Ltd. (10/28)
Oct. 17, 1960 it was announced that the directors have authorized the issuance of an additional 1,140,000 shares of unissued capital stock, to be offered to stockholders of record Oct. 28 on the basis of one new share for each two shares then held. Rights expire Nov. 18. **Price**—$1 per share. **Business**—Prospecting and exploring for metals. **Proceeds**—For general corporate purposes. **Office**—Suite 1616, 44 King St. West, Toronto 1, Ontario, Can. **Underwriter**—None.

• Public Service Electric & Gas Co. (12/13)
Oct. 24, 1960 filed 250,000 shares of cumulative preferred stock with the New Jersey Public Utility Commission. SEC filing is expected shortly. **Price**—To be supplied by amendment. **Proceeds**—For construction. **Office**—Newark, N. J. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

Richards Aircraft Supply Co., Inc.
Oct. 10, 1960 it was reported that a "Reg. A" filing of the company's common stock is expected. **Proceeds**—For expansion and working capital. **Office**—Ft. Lauderdale, Fla. **Underwriter**—Blaha & Co., Inc., Long Island City, N. Y.

Ritter Co., Inc.
July 6 it was reported that this company plans to consolidate some $2,500,000 of funded debt, possibly through a private placement, pursuant to which a bond issue may be expected. **Underwriter**—Lehman Brothers, New York City.

Rochester Gas & Electric Corp.
Aug. 1, 1960 it was reported that $15,000,000 of debt financing is expected in the spring of 1961, perhaps in March. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

Rudd-Melikian, Inc.
Sept. 28, 1960 it was reported by J. C. Barr, a corporate officer, to this paper that new financing is being discussed. No details are available. **Office**—Hatboro, Pa.

(Jos.) Schlitz & Co.
March 11 it was reported that a secondary offering might be made. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Harriman Ripley & Co. Inc., both of New York City.

Southern Bell Telephone & Telegraph Co. (12/5)
Sept. 26, 1960 the company authorized the issuance of

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$75,000,000 of debentures to be dated Dec. 1, 1960. **Proceeds**—For construction. **Office**—Atlanta, Ga. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., both of New York City. **Registration**—SEC registration is expected in November. **Bids**—Expected on or about Dec. 5.

Southern Natural Gas Co.
April 4 it was stated in the company's annual report that the company expects to provide for the payment of certain outstanding notes through the issuance of first mortgage bonds and other debt securities. The timing of the issue or issues was not stated in the report. **Office**—Birmingham, Ala.

Southern Railway Co.
Sept. 21, 1960 it was announced that a Halsey, Stuart & Co. Inc., group expects to bid on $25,000,000 of the road's bonds. No other details are available.

Southwestern Public Service Co.
Aug. 9, 1960, it was reported that in February, 1961, the company expects to offer about $15,000,000 in bonds and about $3,000,000 in preferred stock, and that about one year thereafter a one-for-twenty common stock rights offering is planned, with the new shares priced about 6½% below the then existing market price of the common. **Office**—720 Mercantile Dallas Building, Dallas 1, Texas. **Underwriter**—Dillon, Read & Co., Inc.

Storer Broadcasting Co.
Sept. 28, 1960 it was reported that a secondary offering is being planned. **Office**—Miami Beach, Fla. **Underwriter**—Reynolds & Co., New York City.

• Trans World Airlines, Inc.
Oct. 10, 1960 it was announced that financing needs have been scaled down to $318,000,000 from the original figures of $340,000,000 with $168,000,000 to be loaned to TWA by banks, insurance companies and other lenders, $50,000,000 to be drawn from internal sources, and $100,000,000 from the proposed sale of subordinated income debentures with stock purchase warrants to TWA stockholders. **Proceeds**—To give TWA direct ownership of a jet transport fleet. **Office**—10 Richards Road, Kansas City 5, Mo. **Underwriters** — Lazard Freres & Co., Lehman Brothers and Dillon, Read & Co., Inc. **Note**—Oct. 25 it was reported that this financing is not expected to occur and a statement will be issued soon on future plans.

Trunkline Gas Co.
Sept. 28, 1960 it was reported that approximately $15,000,000 of bonds and $5,000,000 of preferred stock are expected to be offered in the second quarter of 1961. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

United Air Lines, Inc.
Sept. 23, 1960 it was reported that an issue of convertible debentures is being considered. **Office**—5959 South Cicero, Avenue, Chicago, Ill. **Underwriter**—Harriman Ripley & Co., New York City.

United States Shell Homes, Inc.
Oct. 10, 1960 it was reported that $3,000,000 units type of filing is in preparation, probably to consist of debentures, warrants and common stock. **Office**—Jacksonville, Fla. **Underwriter**—Hayden, Stone & Co. (managing).

Virginia Electric & Power Co.
Sept. 8, 1960 it was reported that the company will need $30,000,000 to $35,000,000 from outside sources in 1961, and expects to come to the market for it in March or June. The precise form of financing will depend upon market conditions. **Office**—Richmond 9, Va. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Bros. & Hutzler; Goldman, Sachs & Co.

Waldbaum, Inc.
May 11 it was reported that public financing is being contemplated by this supermarket chain. No confirmation was obtainable. **Office**—2300 Linden Blvd., Brooklyn, New York.

Waldorf Auto Leasing Inc.
Sept. 14, 1960 it was reported that a "Reg A" filing is expected. **Office**—2015 Coney Island Avenue, Brooklyn, N. Y. **Underwriters**—J. I. Magaril & Co., New York City and Sandkuhl and Company, Newark, N. J., and New York City.

West Ohio Gas Co.
June 24, 1960, it was announced that the company anticipates, that in order to carry out its 1960 construction program it will consummate long-term financing during the year to provide additional funds in the approximate sum of $400,000.

Whippany Paper Board Co.
July 19, 1960, it was reported that this New Jersey company plans to register an issue of common stock. **Underwriter**—Van Alstyne, Noel & Co., New York City.

Winona Wood Products Co.
Aug. 24, 1960, it was reported that a full filing of class A common stock is contemplated. **Business**—The company makes wood cabinets for household and industrial use. **Office**—Winona, N. J. **Underwriter**—Metropolitan Securities Inc., Philadelphia, Pa.

Winter Park Telephone Co.
May 10 it was announced that this company, during the first quarter of 1961, will issue and sell approximately 30,000 additional shares of its common stock. This stock will be offered on a rights basis to existing stockholders and may or may not be underwritten by one or more securities brokers. Future plans also include the sale of $2,000,000 of bonds in the second quarter of 1961. **Office**—132 East New England Ave., Winter Park, Fla.

Economic Outlook Is Much Better Than Alarmists Aver

Continued from page 7

may more than offset the short-term benefits. It is time for our partners to take up part of this load. A continued outflow of gold from this country would represent a real threat to the stability of the dollar and to our own economy. Such a development will be harmful both to ourselves and to the rest of the world.

Moreover, because of the gold outflow we have less ability to utilize monetary policy as a countercyclical device. Some of the credit balances accumulated by foreigners move from country to country in response to differentials in interest rates. If we want to counter recessionary developments in our economy by lowering interest rates we must recognize that such a move may be accompanied by an accelerated outflow of gold with the resulting loss of confidence in the stability of our own economy.

4. American industry has been developing a new and tougher attitude toward increases in **labor costs.** Throughout the earlier post-war years the ability to pass higher costs on to the consumer in the form of higher prices apparently made many industries reluctant to fight vigorously against excessive increases in labor costs. The inability to control costs during the 1958 recession came as a rude shock to many companies. One consequence has been a stiffening of attitude toward excessive increases in wages and non-wage benefits and the initiation of a drive against make-work rules and featherbedding, both of which add unnecessarily to costs. It is probable that in the period ahead there will be a further intensification of the resistance against excessive wage and other labor cost increases. If this development should occur, one result would be a further modification of the magnitude of wage inflation. This would make it much easier to continue to have relative price stability.

5. In the post-war years we have experienced a truly sensational increase in the amount of **credit outstanding.** From the end of 1945 to the end of 1959 total private debt increased from $139.9 billion to $547.5 billion, or an increase of 291.4%. It is an eye opener to compare this increase with that which took place during the 1920's, a period which many students describe as having experienced an excessive expansion in credit. Total private debt increased from $91.5 billion in 1918 to $161.2 billion in 1929, or a rise of 76.2%. In other words, the relative increase in the volume of debt has been almost four times as rapid since the end of World War II than in the post-World War I period.

Non-farm mortgage debt increased from $27 billion at the end of 1945 to $160.8 billion at the end of 1959. During the same period consumer debt rose from $5.7 billion to $52 billion and total corporate debt from $85.3 billion to $281.7 billion. It must be recognized that these increases have taken place within an economy that has grown very rapidly. Nevertheless, a larger proportion of the average family's income is now required to service debt than ever before. In light of the tremendous inventories, durable goods in the hands of consumers may be reaching the point where further expansion of this debt will be slowed up significantly. A reduction in the rate at which debt is created would represent a new factor affecting total demand, which has not characterized our economy in the earlier post-war years.

6. This combination of factors has meant **narrower profit margins.** This result has followed unavoidably from the intensification of competition. To the extent that profit margins and total profits are reduced, undistributed profits also will decline. This development can curtail expansion because such funds have played a significant part in financing new capital investment. Moreover, it must be noted that a narrowing in profit margins reduces the incentive for such expansion.

These six factors which I have described, all too briefly, indicate a modified economic environment in which business decisions will be made over the next year and longer. On balance they could result in a sounder basis for long-term economic growth than that which prevailed in the past 15 years. Nevertheless, their modification will eliminate some of the yeast-like elements which have played so important a role in recent years. The competitive struggle will be more intense.

The Outlook

An examination of the major segments of the economy reveals neither areas of marked strength nor of marked weakness.

State and local spending continues to expand at an annual rate of about $3 billion annually.

Personal income after taxes has been rising steadily although at a markedly slower pace in recent months. The total in the third quarter was about $353 billion, or 4.3% higher than a year earlier. Some further increases in disposable income and in consumer spending seem probable. Expenditures for services should continue to rise, but little change is anticipated in the purchase of goods. Nineteen hundred and sixty-one sales of automobiles should about equal the total in 1960.

Residential housing starts fell from an annual rate of about 1,600,000 starts in the spring of 1959 to 1,054,000 in September 1960. With the greater availability of credit, a small rise in housing starts is probable. Conditions favor a continuation of easier credit and thus housing starts will probably rise in 1961.

New plant and equipment expenditures have leveled off at about the third quarter totals, the peak reached during the recovery. However, declining profit margins, ample capacity in many industries, and lower undistributed profits will offset the stimulating effects of declines in long-term interest rates. Some declines have been recorded in capital appropriations by industry and hence a small decline in plant and equipment expenditures is probable early in 1961.

Inventories already have swung from an accumulation rate of $12 billion early in the year to a liquidation rate of about $3 billion in the fall as was noted earlier. With this swing of $15 billion, most of the adverse effects of inventory adjustment are behind us. While some further inventory liquidation is probable, this area should shift to a plus factor in 1961.

Exports have risen sharply in 1960, while merchandise imports have remained at about the 1959 levels. As a result the excess of exports over imports has increased to the highest level in the post-war period, excluding 1956 and 1957, which were overstimulated by the Suez crisis. However, some decline in exports would not be surprising because economic conditions abroad have shown signs of less expansion.

Federal spending has been inching upward in recent months. Although a further small increase is probable in the months ahead, no major change is anticipated in the first half of 1961 regardless of which candidate is elected. In the fiscal year 1960, there was a Federal budgetary surplus of $1.2 billion. During the current fiscal year, present estimates call for a similar surplus. Although we may fall short of this target, the budget should be close to balance for the fiscal year. This will continue to be an important area of stability in the economy.

Unfilled orders have declined from $51.5 billion in December 1959 to $47.3 billion in August. It should be kept in mind that the December total was inflated by the effects of the steel strike and that part of the recent decline has reflected the aftermath of the strike. However, new orders have been below sales in every month this year and such a relationship is not conducive to a vigorous upturn. These data require careful watching in the months ahead for clues as to the underlying strength of the economy.

The sharp decline in the stock market since the first of the year has tended to affect business sentiment adversely. Nevertheless, the stock market does not have a good record as a forecaster of business and the decline does not portend a major recession in business activity. To a large extent the decline in stock prices has represented a liquidation of the over-optimism and the accompanying high capitalization of earnings which prevailed a year ago. The halting of inflation and the profit squeeze contributed to eliminating the bloom from the stock market boom.

A Highly Creditable Performance

A balancing of these factors suggests that we will not move far from the high level plateau on which we have been perched for the past six months. Such stability creates considerable anguish among those who have made economic growth a fetish. Nevertheless, it is a highly creditable performance in the face of the disruptions attending the steel strike and the dislocations which unavoidably attend a halting of an inflation spiral. During this period, a sounder base is being created for further economic growth which from the longer term point of view is hampered rather than stimulated by inflation.

Need for Foreign Aid and Tax Reforms

We still face important and hard economic decisions if we are to continue to have vigorous economic growth. The adverse international balance of payments represents a threat to the stability of the dollar which must be met. An undermining of the position of the dollar, nationally or internationally, would have adverse consequences upon our economy. I question whether this situation can be met solely by programs designed to stimulate our net exports. Since this "dollar gap" reflects primarily our generous foreign aid program, adjustments will have to be made in that program before they are forced on us.

Tax reform is urgently required to provide greater incentives for business investment. The key ingredient in economic growth is found in new investment. Such investment by expanding our total output will provide a much broader base from which to recover any tax revenues which may be initially lost through tax reform.

The battle against inflation must continue to be pursued vigorously. While the siren song of inflation has a short run attractiveness, the long run effect is to erode the vitality of an economic system. An anti-inflation program requires that we keep our fiscal house in order, that the excessive creation of credit be avoided, and that labor costs do not increase more than productivity. Encouraging progress has been made in each of these areas during the past two years. Decisions made by the American people in the next few weeks will play a decisive role in the years ahead.

This program will encourage sustainable economic growth instead of forcing the "hot house variety" by unsound government spending. Economic growth, in turn, will enable us to provide jobs for the labor force which will be expanding rapidly in the years ahead.

In summary, for the short run I am a pessimistic optimist but for the longer run, I believe we can continue to scale new heights which will remain comfortably out of reach of those who would challenge our economic position.

*An address by Dr. Backman before the 16th annual convention of the Commercial Financial Industry, sponsored by the National Commercial Financial Conference, Inc., New York City, Oct. 24, 1960.

Now With Goodbody

BOSTON, Mass. — Geno L. Neri has become affiliated with Goodbody & Co., 125 High Street. He was formerly with du Pont, Homsey & Company.

SITUATION WANTED

COLLEGE GRADUATE

Finance major, veteran, business experience, desires position with underwriter. Will aid investigating companies, negotiating, selling new issues. Salary unimportant. Call R. Leff, TR 4-2026 Monday through Friday 10 a.m. to 2.00 p.m.

REPORT OF CONDITION OF

Underwriters Trust Company

of 50 Broadway, New York 4, New York, at the close of business on October 3, 1960, published in accordance with a call made by the Superintendent of Banks pursuant to the provisions of the Banking Law of the State of New York.

ASSETS	
Cash, balances with other banks and trust companies, including reserve balances, and cash items in process of collection	$5,872,376.88
United States Government obligations, direct and guaranteed	22,265,166.85
Obligations of States and political subdivisions	2,726,935.75
Other bonds, notes, and debentures	481,524.55
Loans and discounts (including $2,906.89 overdrafts)	25,513,001.65
Banking premises owned, none; furniture and fixtures	237,415.15
Real estate owned other than banking premises	284,254.56
Other assets	217,292.71
TOTAL ASSETS	$57,597,968.10
LIABILITIES	
Demand deposits of individuals, partnerships and corporations	$19,445,889.70
Time deposits of individuals, partnerships, and corporations	9,146,729.53
Deposits of United States Government	1,002,149.89
Deposits of States and political subdivisions	22,382,815.28
Deposits of banks and trust companies	707,329.89
Other deposits (certified and officers' checks, etc.)	641,162.84
TOTAL DEPOSITS	$53,326,077.13
Other liabilities	363,437.45
TOTAL LIABILITIES	$53,689,514.58
CAPITAL ACCOUNTS	
Capital †	$1,000,000.00
Surplus fund	1,000,000.00
Undivided profits	1,907,133.52
Reserves for undeclared dividend	1,320.00
TOTAL CAPITAL ACCOUNTS	$3,908,453.52
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$57,597,968.10

†This bank's capital consists of common stock with total par value of $1,000,000.00.

MEMORANDA	
Assets pledged or assigned to secure liabilities and for other purposes	$19,893,506.77
Loans as shown above are after deduction of reserves of	164,657.35
Securities as shown above are after deduction of reserves of	138,270.00

I, KENNETH W. LANDFARE, Treasurer of the above-named institution, hereby certify that the above statement is true to the best of my knowledge and belief.

KENNETH W. LANDFARE

Correct—Attest:
CHRISTIAN W. KORELL
SUMNER FORD } Directors
JOSEPH B. V. TAMNEY

Business Conference on Puerto Rico's Industrial Opportunities Scheduled

First National City Bank and Bureau of National Affairs will jointly conduct a meeting in San Juan from November 30 to December 2.

U. S. "blue chip" corporations, medium and small sized companies with manufacturing affiliates in Puerto Rico, will outline their operating experience in the Commonwealth during a three day briefing conference on "Industrial Opportunities In Puerto Rico," Nov. 30 to Dec. 2.

Teodoro Moscoso

The meeting, first of its kind in Puerto Rico, will take place at the San Juan Intercontinental Hotel. It is being co-sponsored by the Bureau of National Affairs, Washington, D. C., and the First National City Bank of New York. Puerto Rico's leading bankers, development officials, and businessmen will also participate.

U. S. corporations including Union Carbide, Sperry Rand, General Electric, Maidenform, and W. R. Grace, will describe their operating experience in Puerto Rico along with many smaller companies. Spotlighted will be industrial opportunities in electronics, chemicals, metalworking, apparel and leather. Puerto Rico as a world center for international "base companies" will also be discussed.

The growth potential of Puerto Rico's economy, now expanding at the rate of 9% a year, and which is attracting new investments at the rate of $1,000,000 a day, will also be discussed.

The program will include 11 lectures and executive seminars as well as a keynote address by Teodoro Moscoso, Administrator of the Puerto Rico Economic Development Administration, the island's "Operation Bootstrap" agency which has attracted over 600 U. S. branch plants in the past 12 years.

A feature of the meeting for attending executives will be field trips to operating U. S. affiliates in Puerto Rico.

Among the topics listed for discussion: Investment Opportunities; The Financing of New Enterprises; Tax Exemption; Local Material Resources and Services; Labor; Managing and Living in Puerto Rico; Puerto Rico—A Site for International "Base Companies"; Defense Industry Subcontracting; and Investment Opportunities in Tourism.

The briefing conference is being limited to approximately 200 guests to facilitate full participation, including field trips to manufacturing plants, by those attending.

Registration fee is $60 per person, including three luncheons. Reservations should be addressed to the Bureau of National Affairs, 1231 24th Street, N. W., Washington, D. C.

Hayden, Stone Adds

CHICAGO, Ill. — Donald R. Stroben has been added to the staff of Hayden, Stone & Co., 141 West Jackson Boulevard. He was formerly with Glore, Forgan & Co.

With Shiels Securities

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Vernon E. Paulsen has become connected with Shiels Securities, Inc., Mead Building. He was formerly with Auld & Co., Inc. and E. F. Hinkle & Co., Inc.

New Hutton Branch

WAYNE, N. J.—W. E. Hutton & Co. has opened a branch office at 1530 State Highway under the management of Edward P. Ward. Martin T. Dillon, Jr. and J. Peter Spaens are associated with the new branch as Assistant Managers.

DIVIDEND NOTICES

United States Pipe and Foundry Company

Birmingham, Ala., October 20, 1960

The Board of Directors this day declared a quarterly dividend of thirty cents (30¢) per share on the outstanding Common Stock of this Company, payable December 15, 1960, to stockholders of record on December 1, 1960.

The transfer books will remain open.

UNITED STATES PIPE AND FOUNDRY COMPANY
JOHN W. BRENNAN, *Secretary & Treasurer*

THE TITLE GUARANTEE COMPANY

DIVIDEND NOTICE

Trustees of The Title Guarantee Company have declared a dividend of forty (40) cents per share designated as the fourth regular quarter-annual dividend for 1960, payable November 18, 1960 to holders of record on November 4, 1960.

WILLIAM H. DEATLY • *President*

O'okiep Copper Company Limited

Dividend No. 56

The Board of Directors today declared a dividend of fifteen shillings per share on the Ordinary Shares of the Company payable November 30, 1960.

The Directors authorized the distribution of the said dividend on December 12, 1960 to the holders of record at the close of business on December 5, 1960 of American shares issued under the terms of the Deposit Agreement dated June 24, 1946. The dividend will amount to approximately $2.10 per share, subject, however, to any change which may occur in the rate of exchange for South Africa funds prior to November 30, 1960. Union of South Africa non-resident shareholders tax at the rate of 6.45% will be deducted.

By Order of the Board of Directors,
F. A. SCHECK, *Secretary.*

New York, New York, October 20, 1960.

DIVIDEND NOTICES

INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company have declared quarterly dividend No. 183 of sixty cents (60¢) per share on the common stock, payable January 16, 1961, to stockholders of record at the close of business on Dec. 15, 1960.

GERARD J. EGER, Secretary

INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company have declared quarterly dividend No. 169 of one dollar and seventy-five cents ($1.75) per share on the preferred stock, payable December 1, 1960, to stockholders of record at the close of business on November 4, 1960.

GERARD J. EGER, Secretary

DIVIDEND NOTICES

AMERICAN ELECTRIC POWER COMPANY, Inc.

203rd Consecutive Cash Dividend on Common Stock

A regular quarterly dividend of Forty-seven cents (47c) per share on the Common Capital Stock of the Company, issued and outstanding in the hands of the public, has been declared payable December 10, 1960, to the holders of record at the close of business November 10, 1960.

W. J. ROSE, Secretary

October 26, 1960.

DIVIDEND NOTICES

CALIFORNIA-PACIFIC UTILITIES COMPANY

Quarterly dividends payable December 15 to shareholders of record December 1, have been declared at the following rates per share:

5% Preferred	25¢
5% Convertible Preferred	25¢
5.40% Convertible Preferred	27¢
5½% Convertible Preferred	27½¢
Common	22½¢

D. J. Ley, VICE-PRES. & TREAS.

October 17, 1960

Sinclair

COMMON STOCK DIVIDEND No. 120

On October 19, 1960 a quarterly dividend of 50 cents per share was declared on the Corporation's Common Stock, payable December 10, 1960 to stockholders of record at the close of business on November 10, 1960.

SINCLAIR OIL CORPORATION

600 Fifth Avenue New York 20, N. Y.

QUALITY

The American Tobacco Company

221ST COMMON DIVIDEND

A regular dividend of Fifty-seven and One-half Cents (57½¢) per share has been declared upon the Common Stock of THE AMERICAN TOBACCO COMPANY, payable in cash on December 1, 1960, to stockholders of record at the close of business November 10, 1960. Checks will be mailed.

HARRY L. HILYARD
Vice President and Treasurer

October 25, 1960

© A. T. Co.

Southern Railway Company

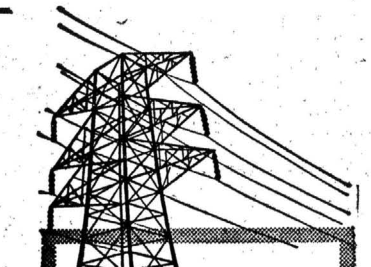
DIVIDEND NOTICE

New York, N. Y., October 25, 1960.

A dividend of 1¼% (25¢) per share on 3,000,000 shares of Preferred Stock of Southern Railway Company of the par value of $20 per share has today been declared, payable December 15, 1960, to stockholders of record at the close of business November 15, 1960.

A dividend of seventy cents (70¢) per share on the Common Stock without par value of Southern Railway Company has today been declared out of the surplus of net profits of the Company for the fiscal year ended December 31, 1959, payable December 15, 1960, to stockholders of record at the close of business November 15, 1960.

J. J. MAHER, *Secretary.*



Southern California Edison Company

DIVIDENDS

The Board of Directors has authorized the payment of the following quarterly dividends:

CUMULATIVE PREFERRED STOCK:

4.08% SERIES
Dividend No. 43
25½ cents per share;

4.24% SERIES
Dividend No. 20
26½ cents per share;

4.78% SERIES
Dividend No. 12
29⅞ cents per share;

4.88% SERIES
Dividend No. 52
30½ cents per share.

The above dividends are payable November 30, 1960, to stockholders of record November 5. *Checks will be mailed from the Company's office in Los Angeles, November 30.*

P. C. HALE, *Treasurer*

October 20, 1960

Edison

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — While the Reds with extreme provocations and comic-opera antics draw popular U. S. attention and indignation to Cuba, our State Department and knowledgeable economic experts are keeping close watch on a nearer neighbor, Mexico.

They're trying to keep a clear watch through the dense political-economic fog that is a devastating example of the Red tactics which have plagued our less-devious democratic international activities.

Several top State Department officials frankly admit deep concern over the Mexican future in private talks. But they also point out for reasons to be discussed later why their concern, and possible reaction, is exactly what the Communists are looking for.

Even before the Reds brought the erratic Cuban revolutionary movement under Castro safely into line, they were laying the groundwork in Mexico—a huge, potentially wealthy border neighbor of the U. S. When Castro was safely under the thumb of Russian political influence, with Russian Communists solidly esconced as powers behind the Castro "reform" throne, they began stepping up their activities in Mexico.

So far, they've scored no major victories. They probably didn't expect to so soon. They have been successful in their first phase—starting to erode the good will between the U. S. and its Southernmost neighbor, and in building a base for fear by U. S. businessmen and tourists that there is a danger to property or visitors there. This drive, however, is still in its infancy. It will probably continue to gain headway.

United States intelligence sources say that there has been little or no increase in card-carrying Communists in Mexico. Nor has there been a material boost in Red spies there — at least that we know about.

Red Loan Rejected

Along with scattered student riots and anti-U. S. demonstrations in Mexico to attempt to undermine the long-standing good will between the two countries, the Reds have been stepping up their efforts to penetrate Mexico economically. About a year ago, the Soviets offered the Mexican Government some $200 million in credits at negligible interest rates. The credits could be used to buy industrial equipment, plants, medical supplies, and consumer goods.

The Mexican Government, a semi-republican system under neo-Socialist Adolfo Lopez Mateoz, received the offer but did not accept it "for the time being." U. S. officials hope it will never be accepted. In recent years, U. S. aid to the Mexicans has been running less than a half-million-dollars a year, mostly in technical assistance and industrial management, and rehabilatory training programs.

But the Soviets are making a determined bid to break relations by the same system which proved so successful in Cuba—and one in which a rival government, including the U. S., has almost no defense.

Seek to Drive Out Americans

The "gringo" business is an important, almost vital, pillar of the Mexican economy. Tourists from north of the border spend almost $1 billion a year in the sunny land of tortillas and enchiladas. American investments have been rising over the past few years, and now top $100 million in productive enterprises there.

Should the Reds be able to force a cutback in tourism and U. S. industrial and business activities, the Mexican Government would have to turn to the Russian offer to make up the loss, according to the Soviet strategy.

Behind their efforts to push us out of Mexico is the lingering doubt in the U. S. of the stability of the Mexican economy anyway. The huge seizures of U. S. property in the 1930s, the oil company expropriations of 1938, still carry a sting here and there although there have been no similar actions since. In almost every case in recent years, land or property that has been taken has been by condemnation with reparations which have satisfied the owners.

Our State Department, while deeply concerned with the Mexican situation, is preaching increased investment while fearing to talk about the dangers in public. These professional diplomats contend that closer ties between the two countries, and unbounded optimism by Americans, will defeat the Red game. President Eisenhower's recent visit for a meeting with Mateos —his second talk with the Mexican President in a pear — is designed to boost relations between the two countries and encourage optimism by U. S. citizens.

If the U. S. plans do work, there is no danger of the free world losing Mexico as a good neighbor, officials believe. But it should be pointed out that U. S. tourism and investment in Cuba was at a record high when Castro took over, and it is questionable whether the Red influence took hold before or after tourists and business began to flee the island in justifiable fear.

Mexico Is a Rich Prize

Aside from the obvious strategic importance of Mexico to the Soviets in any shooting war, it is a rich economic prize too.

The country has been in steady, although not spectacular economic growth since World War II. It now has a foreign trade of almost $2 billion a year. (Imports from the U. S. account for about $700 million and exports to this country about $450 million.)

In 1960, some $1.8 billion will be invested in basic industries alone in Mexico. Electric generating capacity totaled 2.6 million kilowatts in mid-1959. And some 760,000 kw capacity additional was under construction.

Although the Mexican economy has been subject to sharp fluctuations as world economic activities vary, particularly in the United States, the country boasts vast untapped resources.

One of the principal aims of President Mateos in recent years has been to improve fiscal stability in the government and curb inflationary tendencies. He has been moderately successful up to now. He is also using government money and pledges to attempt to increase tourist attractions.

While nationalization was popular in Mexico some years ago, the Mateos government now shows signs of attempting to divest itself of interests in operating manufacturing industries. Other state-owned industries, such as Pemex—the gas and oil production company—are being forced to pay their own way to reduce drains on the federal treasury.

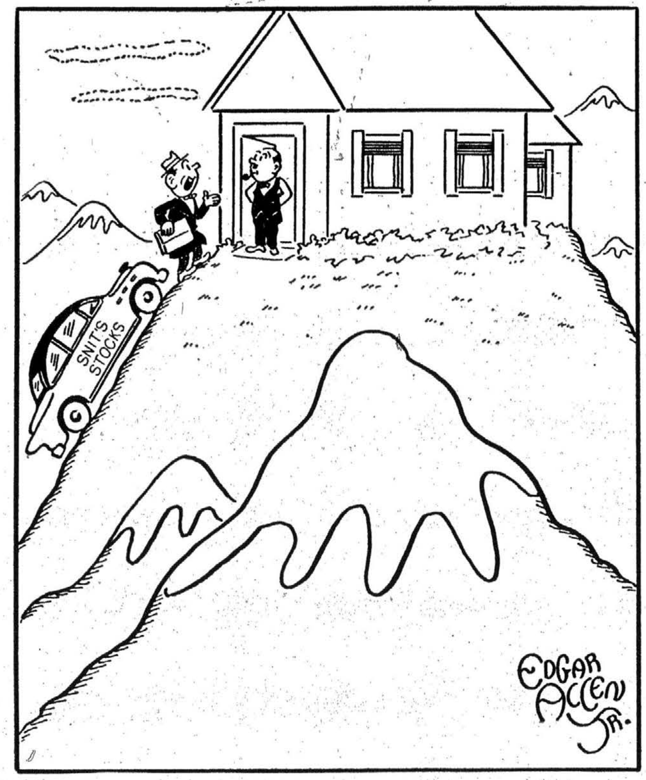
Petroleum a Major Industry

Petroleum has been one of Mexico's major cash industries in recent years. Output has risen to above 89 million U. S. barrels a year, compared with 82 million in 1958. New refineries and distribution lines have been completed. Petroleum exports amount to about $25 million a year.

In addition, Pemex is attempting to work out an arrangement with Tennessee Gas Transmission Co. to help supply some 750 million cubic feet of natural gas a day to Southern California. The line would start with some Texas gas near McAllen, Tex., run 1,200 miles through Mexico on a "short cut," adding Pemex gas on the way, and deliver the gas just over the California border. For Mexico, it's a chance to sell natural gas which is now largely being flared as waste. The line's promotors are hoping the arrangement will permit them to escape control of the U. S. government because the line never crosses from one state to another.

The country has huge agricultural, cattle, mining, fishing and textile resources. While still comparatively undeveloped industrially, because of a fairly cheap labor supply it is in a position to compete strongly on some consumer goods, particularly shoes and textiles.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]



"Just happened to be passing by so I thought I'd drop in."

H. M. Frumkes Co. To Admit Partner

H. M. Frumkes & Co., 120 Broadway, New York City, members of the New York Stock Exchange on Nov. 15 will admit Arthur J. Frumkes to partnership.

Palmer to be Shaine V.-P.

GRAND RAPIDS, Mich.—On Nov. 3, Richard K. Palmer will become a Vice-President of H. B. Shaine & Co., Inc., McKay Tower, members of the New York Stock Exchange.

Joins J. Barth Co.

(Special to THE FINANCIAL CHRONICLE)

SAN JOSE, Calif.—Stuart A. Schwalbe has become connected with J. Barth & Co., Town & County Village, Stevens Creek Road. Mr. Schwalbe was formerly with Walston & Co., Inc.

Now With Bache & Co.

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Walter G. Werner has become connected with Bache & Co., 140 South Dearborn Street.

COMING EVENTS

IN INVESTMENT FIELD

Oct. 28-29, 1960 (Detroit, Mich.) National Association of Investment Clubs 10th anniversary convention at the Sheraton-Cadillac Hotel.

Oct. 28-30, 1960 (Hot Springs, Va.) Southeastern Group of Investment Bankers Association meeting.

Nov. 3-4, 1960 (Miami, Fla.) Florida Security Dealers Association annual convention at the Key Biscayne Hotel.

Nov. 10, 1960 (Minneapolis, Minn.) Minnesota Group of Investment Bankers Association meeting.

Nov. 12, 1960 (Philadelphia, Pa.) Investment Traders Association of Philadelphia Eighth annual dinner dance at the Germantown Cricket Club.

Nov. 17-18, 1960 (Chicago, Ill.) American Bankers Association 29th Mid-Continent Trust Conference at the Drake Hotel.

Nov. 27-Dec. 2, 1960 (Hollywood Beach, Fla.) Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

Dec. 6, 1960 (New York City) Investment Association of New York annual dinner at the Starlight Roof of the Waldorf-Astoria Hotel.

April 12-13-14, 1961 (Houston, Tex.) Texas Group Investment Bankers Association annual meeting at the Shamrock Hilton Hotel.

June 22-25, 1961 (Canada) Investment Dealers Association of Canada annual meeting at Jasper Park Lodge.

Oct. 16-20, 1961 (Palm Springs, Calif.) National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.

Joins Bache Staff

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—John J. Slattery has joined the staff of Bache & Co., 445 North Roxbury Drive. He was formerly with V. K. Osborne & Son, Inc.

Pickard Co. Forms

NEWTOWN SQUARE, Pa.—Pickard and Company has been formed with offices on Goshen Road to engage in a securities business. John Pickard is a principal of the firm.

Ohio Company Branch

ATHENS, Ohio—The Ohio Company has opened a branch office at 14 South Court Street under the management of Richard Phillips.